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The Nation's Insurance Underwriter

LIFE INSURANCE EDITION

FRIDAY, JUNE 10, 1932

INS. LAB.



WRITE FOR GENERAL AGENCY PROPOSITION
AND TERRITORY

RESERVE LOAN LIFE
INSURANCE COMPANY
INDIANAPOLIS, INDIANA.



Photograph by Torhel Korling

GROWING with the GREAT MIDWEST

Morning Prelude

This is one in a series of advertisements devoted to an exposition of those intangibles which make Chicago "a city with a personality."



The Illinois Life through these advertisements pays homage to Chicago. Being the oldest legal reserve life insurance company now active, to be chartered by the State of Illinois, and having maintained "headquarters" in Chicago for thirty-nine years, the Illinois Life feels justified in this effort to offset some of the unfair publicity which Chicago has received by presenting a glimpse at the other side of the picture.



Raymond W. Stevens, President

IN THIS STUDY OUR PHOTOGRAPHER has caught an unusual spirit. Up at an early hour, he stationed his camera on a river bridge and turned its lens upon a yet sleeping city. * A lone pedestrian, also an early riser, stepped into the picture. Over this same spot, a few hours later, tramped thousands of hurrying feet. * But when the camera's shutter clicked, the moment was one of strange quiet. * The heavy structure of the bridge provides a rugged frame through which we see, in dim outline, a group of great buildings. A symphony in gray. Suffused in morning mist, it seems a phantom city.

ILLINOIS LIFE INSURANCE CO.

ILLINOIS LIFE BUILDING • CHICAGO • 1212 LAKE SHORE DRIVE

CHICAGO: A GOOD PLACE TO LIVE, A GOOD PLACE TO WORK

THE NATIONAL UNDERWRITER Life Insurance Edition. Published weekly by The National Underwriter Company. Office of publication, 175 W. Jackson Blvd., Chicago, Ill. Thirty-sixth year. No. 24. Friday, June 10, 1932. \$3.00 per year, 15 cents per copy. Entered as second-class matter, June 9, 1900, at postoffice at Chicago, Ill., under act of March 3, 1879.

The National Underwriter

LIFE INSURANCE EDITION

Thirty-Sixth Year No. 24

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, JUNE 10, 1932

\$3.00 Per Year, 15 Cents a Copy

Actuaries Elect Mead President

American Institute Holds Its Annual Convention at Kansas City

HIGH TAXES CONDEMNED

Sarason Reveals Method of Valuing Disability Benefits—Next Meeting in Chicago Nov. 3-4

Franklin Bush Mead, executive vice-president Lincoln National Life, was elected president of the American Institute of Actuaries at its annual convention in Kansas City, Mo., last week. T. A. Phillips, president Minnesota Mutual, and Wendell P. Coler, American Central Life, were elected vice-presidents.

R. C. McCankie, Equitable of Iowa; J. Charles Rietz, Midland Mutual, and R. A. Hohaus, Metropolitan Life, were elected to the board of governors for a three year period. J. A. Budinger, Kansas City Life, and James Fairlie, vice-president Abraham Lincoln Life, were elected to the board for two years.

Johnson Re-elected Treasurer

Wilbur M. Johnson, vice-president Central Life of Illinois, was re-elected treasurer; E. G. Fassel, Northwestern Mutual, re-elected secretary; and H. W. Curjel, Illinois Life, librarian, and James S. Elston, Travelers, editor of the "Record," were re-elected.

The next meeting of the American Institute of Actuaries will be held in Chicago, Nov. 3-4, during the same week as the meetings there of the Life Insurance Sales Research Bureau and the Association of Life Agency Officers.

Condemns High Taxes

Approximately 150 attended the convention and heard retiring president, James F. Little, second vice-president Prudential, present the tax situation as one of the outstanding general problems facing life insurance companies today.

Recognition of the fact that legislators are paying too much attention to sources of tax income and too little to methods of reducing the tax burden is growing, Mr. Little said. The other phase of the situation is that life insurance companies are being made to carry a tax burden that is greater, in comparison, than other concerns in the community; and that any added burden at this time will materially interfere with their proper functioning.

Since 1929 the national income has suffered a 40 percent reduction, yet the largest reduction in government expenditures under consideration at this time is 6 percent, in spite of the multitude of bureaus, the high cost of rewards for past services, and so on. The public today is being asked to set aside 18 percent more goods for taxes than in 1929.

(CONTINUED ON PAGE 18)

Participating Companies and Their Action on Policy Dividends

A study of the dividend situation regarding companies writing participating shows that quite a number have already made reductions in their schedules while others may confidently be expected to do so. Two companies, the Berkshire and Phoenix Mutual, are not waiting until 1933 but have announced reductions as of July 1, of this year. Twenty-five companies have made reductions either in 1931 or 1932, which takes in the period since the depression began, which was in October, 1929.

If present conditions continue there may be a few companies that will continue their dividend records unbroken but there are not likely to be many. The fact that a company has not yet announced a reduction is not necessarily evidence that it will not do so. Some of the companies whose agents have been most critical of competitors which have made dividend cuts are likely to find their own companies in the list before long. It may even be more creditable to a company to have taken the position early that it should play safe at all hazards and take no chances on the depression being lifted before losses are sustained than that a company should go along in the hope that everything will turn out all right.

Investments Based on Long Pull

The nature of life company investments is that they are based on the "long pull" and therefore temporary market values are not to be considered too seriously but the fact remains that absolute safety is the first consideration. A management which sees probable losses ahead may be weak rather than strong in not declaring a dividend reduction. Certainly, the attitude that if there is any danger in losses in investments it is better to declare a reduction early and then pay it back after it is shown that it was not needed is a very creditable one and makes for sound confidence much more than does the fear that a dividend reduction will tend to disturb confidence in life insurance. Policyholders are not looking these days at net costs so much as at absolute security in their life insurance holdings. Agents who play along and write business on the strength of the fact that their company has not yet made a reduction and therefore will not do so may just possibly find themselves in an unenviable position later on.

Safety Is Prime Factor

The agent who still talks net cost over absolute safety is not representing life insurance in the best manner in these times. At the same time, it is not unlikely that there are certain companies that will pull through without making any reduction, even a temporary one, but the feeling is growing among the best class of life underwriters that this is no time to sell business on net cost. The interests of life insurance as a whole are much more paramount just now than those of companies which are seeking to write a large amount of business solely on the net cost showing.

Following is a list of the companies which decreased their dividend schedules in 1931 and thus far in 1932, and

to this list is added that of those companies which have made no reduction for the two years of 1931 and 1932. So far as net cost is concerned, some of these companies may still be on a higher cost basis than those that have made decreases in either of the two years, so the lists have no significance in that direction.

1931 and 1932 Dividend Schedules Decreased

Atlantic Life (slight decrease in 1931).
Bankers National, N. J. (decreased 1st to 5th year; increased from 7th year up, by change in expense factor).
Berkshire (last half of 1932).
Canada Life.
Continental Life, Mo.
Crown Life, Canada (50 percent reduction).
Equitable Life, N. Y.
Equitable Life, Ia.
Federal Life, Ill. (50 percent reduction).
George Washington Life (25 percent reduction).
Great-West Life.
Jefferson Standard Life.
Manhattan Life.
Manufacturers Life, Can. (50 percent reduction).
Massachusetts Mutual (25 percent reduction on first 15 dividends).
Missouri State Life (50 percent reduction).
Mutual Benefit.
Mutual Life, N. Y.
Pacific Mutual Life.
Philadelphia Life.
Phoenix Mutual (20 percent reduction July 1, 1932).
Pilot Life (66 2/3 percent reduction).
Sun Life, Canada (35 percent reduction).
Union Central (50 percent reduction).
Wisconsin Life (50 percent reduction).
No Reduction for Two Years
Abraham Lincoln Life (same scale since 1925).
Acacia Mutual Life (increase in 1930).
Aetna Life (same since 1926).
Agricultural Life.
Baltimore Life.
Bankers Life, Ia. (same since 1927).
Bankers Life, Neb. (same since 1926).
Boston Mutual.
Central Life, Ia.
Central Life, Ill.
Central States Life.
Columbia Life, Ohio.
Columbus Mutual Life.
Connecticut General.
Connecticut Mutual (same since 1926).
Continental American.
Fidelity Mutual Life.
Girard Life.
Guardian Life, N. Y. (same since 1926).
Home Life, N. Y. (same since 1926).
John Hancock Mutual (same since 1927).
LaFayette Life.
Metropolitan Life.
Midland Mutual Life.
Minnesota Mutual Life.
Mutual Trust Life.
National Guardian Life.
National Life, Vt.
New England Mutual (same since 1927).
New York Life.
Northern Life, Wash.
Northwestern Mutual Life.
Northwestern National Life.
Oregon Mutual Life.
Penn Mutual (1st yr. div. paid end of 5th).
Peoria Life.
Prudential.
Protective Life, Ala.
Provident Mutual (reduction in term dividends).
Register Life.
Reliance Life.
St. Louis Mutual.
Scranton Life.
Security Life & Trust.
Security Mutual, Neb.
Security Mutual, N. Y.
State Life, Ind.
State Mutual, Mass.
Union Mutual, Ia.
Union Mutual, Me.
West Coast Life.

Deluge of Jumbo Claims This Year

Valentine Howell Predicts 1932 Will Set All Time Record

EXTRA MORTALITY SHOWN

Prudential Official, in Talk to Medical Directors, Recommends Measures to Combat Applicant Selection

Since 1926, Valentine Howell, associate actuary of the Prudential, advised in his address before the medical section of the American Life Convention, there has been a definite and increasing mortality in the examined business of the ordinary agencies of his company. This mortality, he said, has been to a certain extent concentrated in the decade between ages 50 and 60 and is found in more than its due proportion in business originating from brokers.

The extra mortality has been confined in large part to the holders of large amounts of insurance and was due largely to increases in circulatory disease deaths and to suicide and accidents, he added.

To combat the situation, Mr. Howell recommended encouragement of a full time organization; reduction in limits of amount of acceptance in the individual case; increased rigidity of selection and increased use of modern methods for determining physical condition and a complete separation of the work of the examiner from any participation by the agency.

Problem of Large Assured

In the face of improvement in basic mortality rates, according to Mr. Howell, there has been a steady increase in the mortality among those insured for large amounts. The excess mortality seems to concentrate on the age period from 48 to 58, he said. The extra mortality is almost entirely a function of the aggregate amount of insurance carried, he said.

In the Prudential, applications for \$50,000 or more are passed upon by an insurance committee. Beginning in 1927, the death rate among the large policies experienced a sharp upturn, he said, which climbed to a high maximum in 1930, hesitated in 1931 and then came a deluge of jumbo claims, which, according to Mr. Howell, promises to make 1932 an all time record.

Mr. Howell reported that in 1931 the total death claims under insurance committee policies amounted to \$7,415,000, as compared with \$7,316,000 in 1930; \$5,214,000 in 1929; \$4,304,000 in 1928; \$4,194,000 in 1927; \$3,167,000 in 1926; \$2,165,000 in 1925. Heart disease produced \$2,716,000 of the 1931 claims in this category, while suicides were responsible for \$1,247,000.

(CONTINUED ON PAGE 21)

President W. D. Van Dyke of Northwestern Mutual Dies

WAS 13 YEARS AT THE HELM

Deceased Executive Was Outstanding Character in American Life Insurance—75 Years of Age

William D. Van Dyke, president of the Northwestern Mutual Life for 13 years and one of the outstanding characters in American life insurance, died at his home in Milwaukee Tuesday evening at the age of 75.

Mr. Van Dyke contracted a cold while returning from New York April 25 after attending a meeting of the board of directors of the Chicago, Milwaukee, St. Paul and Pacific railway and failed to recover from its effects. He was elected a trustee of the Northwestern Mutual in April, 1904; was made a member of both its finance and executive committees in July, 1904; elected vice president in 1909 and president Jan. 20, 1919.

When he entered office the company had about a billion and a half in force. Now it has over four billion, its assets have increased from 415 million to over 977 million.

Mr. Van Dyke, besides being a director of the Milwaukee road, was associated with mining and real estate interests. He was a lawyer by profession and a graduate of Princeton University.

He was the son of John H. Van Dyke, who was president of the Northwestern Mutual from 1869 to 1874. He was born in Milwaukee, educated at Markham's academy there and at Princeton, returned to Milwaukee, where he studied law. He practiced law, specializing in insurance matters and was a member of the firm of Van Dyke & Van Dyke from 1880 to 1909. He retired from the active practice of law in 1909 after being elected chairman of the executive committee of the Northwestern Mutual.

Belson Back on Job

Resumption of activities of the Wisconsin Insurance Federation will begin immediately following announcement by President W. M. Wolff that W. W. Belson has returned to duties as executive secretary. Mr. Belson has been on leave of absence since Jan. 1, and in the interim organized the Wisconsin Allied Truck Owners' Association. President Wolff said the Wisconsin situation is critical, there being much impending fire, casualty and surety legislation, as well as possible life insurance proposals which, if enacted, would be disastrous. Mr. Belson's fine record in helping to defeat much inimical legislation in Wisconsin for many years prompted his recall to active duty.

Good News! Small Boom Is Starting in Texas

HOUSTON, TEX., June 9.—So far from complaining of the business depression now experienced in most sections of the country, Texas is having what its citizens term "a little boom." Wisely departing from the one crop idea so long prevailing, its planters are turning to cattle and poultry raising and other diversified efforts, with most satisfactory result thus far. While cotton will continue to be the great staple of the state it will no longer be depended upon as a sole revenue producer. Other one crop or one industry states might profitably follow the example of the Lone Star State and broaden the scope of their activities.

Heads Actuaries



FRANKLIN B. MEAD

Franklin B. Mead, executive vice-president Lincoln National Life, was elected president of the American Institute of Actuaries at its annual convention in Kansas City last week.

Senate Tax Provisions in Bill Signed by President

WASHINGTON, D. C., June 9.—Senate provisions relating to the taxation of insurance companies are carried throughout in the revenue bill which has been signed by the president. The tax upon insurance corporation income will be 13 3/4 percent.

The deduction for life company reserve funds is "an amount equal to four percent of the mean of the reserve funds required by law and held at the beginning and end of the taxable year, except that in the case of any such reserve fund which is computed at a lower interest assumption rate, the rate of 3 3/4 percent shall be substituted for four percent. Life insurance companies issuing policies covering life, health, and accident insurance combined in one policy issued on the weekly premium payment plan, continuing for life and not subject to cancellation, shall be allowed, in addition to the above, a deduction of 3 3/4 percent of the mean of such reserve funds (not required by law) held at the beginning and end of the taxable year, as the commissioner finds to be necessary for the protection of the holders of such policies only."

Specific Exemption Eliminated

The specific exemption of \$1,000 for companies having net income of \$10,000 or less was eliminated. As to rental value of real estate, the bill provides "the deduction under subsection (a) (6) or (7) of this section (203) on account of any real estate owned and occupied in whole or in part by a life insurance company shall be limited to an amount which bears the same ratio to such deduction (computed without regard to this subsection) as the rental value of the space not so occupied bears to the rental value of the entire property."

Kentucky Fraternal Men Meet

The Kentucky Fraternal Congress re-elected E. H. Palmer of Lexington as president at the meeting in Louisville this week. William Cotton of Louisville was elected secretary and treasurer. Mr. Palmer was elected delegate to the National Fraternal Congress meeting to be held in Washington, D. C., in August. The Kentucky Fraternal Congress was formed last year. It will hold a meeting in Lexington, Oct. 3.

Unique Program Arranged for Gathering of Agents

DRAMATIC EPISODES FEATURE

Field Men's Association of Northwestern Mutual to Hold Three-Day Session July 25-27

A program different from any in recent years is in prospect for the annual meeting of the Association of Agents of the Northwestern Mutual Life to be held in Milwaukee July 25-27. The standing committee plans to celebrate the company's 75th anniversary this year. A feature of the program will be a series of dramatic episodes depicting outstanding events in the Northwestern's history, staged at intervals throughout the business sessions.

The program will include talks on life insurance as an investment and on other timely subjects. A quiz, or "display of achievement" similar to that of last year, will be conducted Wednesday morning in order to bring out the plans and working methods of successful agents.

To Produce Playlet

Another feature will be production of a playlet, "What Price Policy Loans?" by members of the Philadelphia agency, given by the same cast at the New York meeting early this year.

C. F. Axelson, Chicago, will be chairman in the opening session and will respond as president of the association to the welcome. There will be two dramatic episodes that morning, depicting the founding of the company and the moving to Milwaukee. C. H. Parsons, superintendent of agencies, will be in charge of presenting prizes to agents.

There will be group luncheons Monday noon, including general agents, district agents and special and soliciting agents. C. M. Stiller, Wichita, Kan., will be chairman of the district agents' meeting. Speakers will include M. J. Cleary, vice-president; R. P. Thierbach, assistant superintendent of agencies; T. A. Lauer, Joliet, Ill.; C. A. Smith, Hammond, Ind.; and O. A. Sanks, Decatur, Ill.

Special Agents' Meeting

E. H. Harley, Brooklyn, will preside at the special and soliciting agents' meeting, at which Dr. G. W. Dyer, Vanderbilt University, will speak.

Monday afternoon the special and soliciting agents association will hold its business meeting, followed by a tour of the home office. In the evening there will be a dinner dance, with a floor show under direction of B. S. McGivern of Eau Claire, Wis.

M. P. Coonan, St. Paul, will preside at the Tuesday morning session. Speakers will be Freeman Essex, Portland, Ore., on "The Buyer of Today"; W. D. McLain, Springfield, Ill., on "The Special Retirement Endowments," and E. R. Young, Jackson, Mich., on "The Successful Agent." Dramatic episodes will depict payment of the first death loss and revision of reserve in 1870. Recognition of veteran agents will be given at this session. B. S. McGivern, Eau Claire, will be chairman of C. L. U. luncheon.

Chicago Educator Speaker

During the afternoon session Tuesday, with A. D. Fogarty, Des Moines, Ia., as chairman, Philip Cohen, Buffalo, N. Y., will talk on "The Reconstruction of Estates," and Prof. S. N. Stevens, Northwestern University, on "Hidden Reserves." Members of the Philadelphia agency will present the playlet. Election of officers will close the Tuesday sessions.

The display of achievements under direction of an outstanding general or special agent as "prosecuting attorney," will be a feature of Wednesday morning's session. There will also be two dramatic episodes, one depicting Presi-

Cancer and Heart Disease Feature Wednesday Session

SLATE DINGMAN AS CHAIRMAN

Medical Section Meets—American Life Convention Executives Accept New Tax Law with Grace

WEST BADEN SPRINGS, IND., June 9.—At the Wednesday morning session of the American Life Convention Medical Section meeting here, Dr. J. B. Young, Indianapolis Life, discussed cancer and problems connected with non recurring operated cases. The paper by Dr. D. B. Cragin, Aetna Life, on the use of the electrocardiograph followed in general that on the glucose tolerance test for diabetic cases presented Tuesday in discussing practical application of the electrocardiograph to insurance purposes and finding means to circumvent applicants who seek to defeat the test. This subject was especially important because of the discussion by Professor James G. Carr, noted heart authority of Northwestern university. Dr. A. E. Johann, Bankers Life of Iowa, took the place of Dr. J. O. Segura, Lamar Life, in treatment of the subject of medical examiners and the discussion was led by Dr. W. E. Thornton, Lincoln National.

The feature of the convention was the paper by Valentine Howell, associate actuary Prudential, on the effect of applicant selection on mortality. Mr. Howell brought out some startling facts regarding mortality on large policies and the increase in suicides as shown by experience of the Prudential and he was corroborated in large measure by W. H. Dallas, Aetna Life, who discussed his paper and showed that the Aetna's experience parallels that of the Prudential.

A telegram of sympathy was ordered sent officers of the Northwestern Mutual Life on the death of President Van Dyke of that company.

It is anticipated that H. W. Dingman, Continental Assurance, will become section chairman. John Neal, Abraham Lincoln, vice-chairman, Martin Olson, Central, Iowa, secretary, with the other members of the executive committee: Samuel Streight, Canada Life, and a representative of one of the Texas companies for the fifth member.

The next annual meeting will probably be held at Excelsior Springs, St. Paul or Chicago with chances in favor of Chicago on account of the World's Fair.

At the executive committee meeting of the American Life Convention there were present: President John M. Laird, Daniel Boone, Jr., Midland Life; J. B. Reynolds, Kansas City Life; F. P. Manly, Indianapolis Life; L. J. Dougherty, Guaranty Life of Iowa; Harry L. Seay, Southland Life; H. M. Woollen, American Central, and Isaac Miller Hamilton, Federal Life.

In the informal discussion which followed the routine matters a number of subjects were discussed including the recent income tax legislation at Washington. It was felt that while the American Life Convention lost its position to 3 percent companies the outcome was fairly satisfactory to most companies and the disposition was to accept the situation with good grace.

dent Palmer's attitude toward grafters, and the other publication of "The Credo." C. B. H. Loventhal, Nashville, will be chairman.

Predicts More Advertising

More extensive company, agency and cooperative life insurance advertising was predicted by Vernon L. Thompson, agency director Midwest Life of Nebraska, in a talk to the Lincoln advertising club.

Louisville's Mayor New Company Head

W. B. Harrison to Be President
of Kentucky Home
Life

JUDGE DAWSON CHAIRMAN

Reorganization Plans for the Inter-
Southern Life Are Now in the
Final Stage

Reorganization plans of the Inter-Southern Life neared the final stage with the appointment of William B. Harrison, mayor of Louisville, as president of the Kentucky Home Life which was organized to take over the business of the Inter-Southern.

Federal Judge Charles I. Dawson of Louisville has accepted the position of chairman of the board.

Mr. Harrison will resign as mayor effective August 31, the end of the city fiscal year.

Judge Dawson's resignation from the United States district court will not be necessary.

Announcement of the appointments was made by B. S. Washer, attorney.

Announcement by Washer

Mr. Washer stated that members of the board will be outstanding citizens, most of them Kentuckians. Announcement of the personnel will be made in a few days.

Personnel of Kentucky Home Life thus far selected has received the informal approval of Judge Ford, of the Franklin Circuit Court, who recently authorized the organization of the new company, and by J. Dan Talbott, state auditor, who instituted receivership proceedings against the Inter-Southern.

Under the organization plans the Kentucky Home Life will assume the payment of Inter-Southern death claims.

Voting Trust Plan

The Inter-Southern holdings in the Missouri State Life, consisting of 148,050 shares of stock, will be placed in the hands of a voting trust, consisting of three members to be appointed by representatives of the two companies. One will be appointed by the Missouri State, the second by the Kentucky Home Life, and the third will be mutually appointed.

It is understood that the receivers for the Inter-Southern are planning an assessment on stockholders of the old Inter-Southern, under their double liability. Total par value of outstanding stock as of Dec. 31, 1931, was placed at \$1,200,000, which figures about 30 cents a share for 3,600,000 shares. The par value was formerly \$1, but two years ago a transfer of 70 cents per share from capital to surplus was made. Such collections for stockholders would aid in reducing the \$7,000,000 deficit in assets as recently reported to the courts. It is quite doubtful if it would be possible to recover on the 1,500,000 shares held by the Security Life of Chicago, also in receivership.

Mayor Harrison's Record

Mr. Harrison served as mayor for a partial term and then was reelected for a full term. Last fall he ran for governor of Kentucky on the Republican ticket, but was defeated. Prior to becoming mayor he was president of the Kentucky Refrigerating Co., and some years ago was in the insurance business, having been connected with the Ameri-

Special Term Forms Are Desirable if Used Right

Although there was a diversity of opinion among actuaries attending the annual convention of the American Institute of Actuaries in Kansas City, Mo. last week on special forms of low premium life policies, there was a general tendency to regard them as desirable if they are not used by the agent as substitutes for regular forms, but as means of reaching persons who ordinarily would not buy regular forms.

Instances were cited by actuaries of companies offering such forms to show that they do increase the range of activity of the agent and that their writing is advantageous to the soliciting agent.

Lapsation Slightly Higher

Experience of those who discussed the subject revealed that lapsation of special types of low premium policies is slightly higher than that on regular forms. Majority opinion held that there is a real need at the present time for such forms.

George Graham, Central States Life, who started off the discussion, referred to the recent comment of a life insurance man who said that as insurance men "we seem to have demonstrated more clearly our ability to solve underwriting problems than our ability to solve investment problems."

Mr. Graham sees no great importance or any real need for special forms of low premium life policies, although he is not opposed to them if they are used to round out the agent's equipment. If, however, such policies are going to be used by the agent as substitutes for standard life forms, he does object. The right use, he said, is as a stimulant to the buying of insurance by persons who otherwise would not buy, thus broadening the agent's field of effort.

Mr. Graham observed that lapses are higher on special forms than on regular insurance, and particularly so when the agent sells them to persons who could and should be sold regular forms.

Two Types Demanded

"The largest amount of our business comes, in normal times, from those who want protection with some savings," Wilbur Johnson, Central Life of Illinois, pointed out. "During the past several months, however, the company has experienced an unprecedented demand for two types of policies: one that affords immediate protection; and one that offers almost all savings and little protection."

From this demand, Mr. Johnson concluded that a large number of people need policies of the low premium type. Surprisingly, he noted, this demand for low premium insurance has not meant a decrease in the agent's earnings.

During 1929, Mr. Johnson continued,

can Surety as assistant manager at Louisville.

Burton Van Dyke, actuary of the Inter-Southern, states that the new company would probably be ready to write business about the close of the first week of July. Advertising of charter has to continue four weeks before writing may start, and charter has not been filed yet. In the meantime, policies, rate books, etc., are being printed. The company will operate in some seven to ten states.

Holding that the Pulaski circuit court at Little Rock holds jurisdiction the Arkansas supreme court upheld its appointment of M. S. Harrison as ancillary receiver of the Inter-Southern Life. Its decision was reached on the application of G. A. Franklin, who was appointed by the chancery court at Dermott, for a writ of prohibition against Harrison. The question at issue was one of jurisdiction.

lapsation on the special forms was 2 percent higher than on ordinary business, and in 1930 it was 1 percent higher. The chance for lapsation of special forms of low premium policies is, then, greater than that of ordinary forms, but only slightly so.

Real Need Apparent

A real need for such policies at the present time is apparent, F. D. Kineke, Prudential, asserted in his outline of the experience of the Prudential on its three special forms of low premium policies—the Modified 5, the Modified 3, and the Modified 3-20. A great many people today must have the maximum protection for every insurance dollar they can afford to put up. And such policies do not decrease the agent's earnings, because he can and does write them in larger amounts. No material difference in lapsation, Mr. Kineke concluded, has been noticed between the special and the ordinary forms in the Prudential.

Solve Term Problem

Explaining the origination of the Prudential's three special forms, James F. Little, second vice-president Prudential and retiring president of the Institute, said that previous to their introduction only about 30 percent of ten-year term policies ever converted. Agents complained of the fact that such policies had to be sold twice, and expressed the belief that something in the nature of automatic conversion would help. So the company worked out the Modified 5 form, on which 87 percent now convert. The persistency of this business has proved unusually good.

Reason for Special Forms

Another reason for the introduction of special form policies was the persistency with which industrial agents wrote \$1,000 policies, even where the case obviously was a \$5,000, \$10,000 or \$15,000 one. With the Modified 3, the company felt it would get industrial agents out of the \$1,000-policy writing rut. The company's purpose was attained, and it found industrial and ordinary life agents could write \$5,000 policies in the same proportion as other amounts.

Phoenix Mutual Opening Offices in New York City

The Phoenix Mutual Life is opening new offices in the Lincoln Building, 60 East 42nd St., New York City. To this location will be moved the Columbus Circle agency, for several years quartered at 1775 Broadway. The new office, which will be known as the Lincoln branch, will be in addition to the three other firmly established agencies in New York City, one under Manager H. N. Kuesel at 342 Madison Avenue, another under Manager L. H. Andrews at 19 Rector Street, and the third under Manager D. W. K. Peacock at 195 Broadway.

Sam P. Davis has been appointed manager of the new agency with J. H. Kull as associate manager. Mr. Davis went with the Phoenix Mutual several years ago. After completing the special course of training at the company's home office service school in Hartford, he became a personal producer in the Cleveland agency. Later he was again taken to the home office for additional training and at that time was appointed field supervisor.

Mr. Kull adds a valuable background of more than 25 years in the company's field work. Since 1906 he has been a personal producer and a supervisor.

San Jacinto to Great Southern

Meeting of Directors and Stock-
holders Has Been Called to
Consider Combination

ASSETS TO BE \$44,000,000

Friendly Relations Between the Two
Texas Companies Maintained
for Many Years

BEAUMONT, TEX., June 9.—Consolidation of its business with the Great Southern Life of Houston will be considered at a special meeting of the directors and stockholders of the San Jacinto Life of this city. The San Jacinto has assets of \$2,841,000 and about \$27,000,000 insurance in force. The combination will make a company with about \$44,000,000 of assets, the Great Southern having over \$41,000,000. The Great Southern's insurance in force Dec. 31 was \$251,410,000.

Speaking of the proposed consolidation President E. P. Greenwood of the Great Southern Life said:

"In this day of big business and consolidation of institutions in the same line of business, it is but natural that the Great Southern Life and the San Jacinto Life should get together. They occupy neighboring cities, and in a large measure cover identical territory. Many policyholders of the one are also policyholders of the other; likewise, they have some stockholders in common; and at times some of the officials and directors have been the same; therefore, the two institutions are well known to each other and have enjoyed a very friendly relationship for a number of years.

Strong in Beaumont

"Beaumont has for 20 years been an important center for the Great Southern. Many of its original policyholders and stockholders live in Beaumont. The Great Southern has identified itself as strongly as possible with the citizens of Beaumont and its trade territory, and is very glad of this opportunity to become more strongly identified with and interested in the building of a greater organization in and about Beaumont.

"The San Jacinto Life has been a very creditable organization, its officials, directors and stockholders are among the best people in this part of the country. The company has served a most useful purpose, with a creditable management, and has made unusual progress during recent years; and now it is taking advantage of the opportunity to do bigger and better things for its patrons and the community in which it is situated. By combining with another institution, which will enable the two together to build for the largest life insurance institution in the southwest. Meanwhile, every policy obligation of the San Jacinto Life will be carried out to the letter by the Great Southern, just as they have been in the past by the San Jacinto.

"Let policyholders take note of this fact and be assured of the same helpful, courteous service in the future as they have enjoyed in the past, with the combined assets of the two companies amounting to approximately \$44,000,000 behind every life insurance policy contract."

The San Jacinto Life was organized in 1914. It is a stock company with \$400,000 capital. H. J. L. Stark is chairman of the board and R. B. Cousins, Jr., is president. The San Jacinto operates in Louisiana and Texas.

Our First Family Income Policy Claim

A FATHER who bought a \$5,000 Family Income Policy (Income Period 10 years) with Double Indemnity was killed accidentally 7 months later. He is survived by his wife and a son who has not yet completed his education.

The widow has received \$5,000 for Double Indemnity; and checks of \$50 each, plus excess interest, for every month since her husband's death. She will continue to receive \$50 a month until this income has been paid for 9 years and 5 months from the date of her husband's death, when the Income Period ends. She will then receive \$5,000 in cash, the face of the policy. The monthly income will thus run for the Period during which her son is securing his education.

TOTAL PAYABLE TO BENEFICIARY UNDER THIS \$5,000 FAMILY INCOME POLICY WITH DOUBLE INDEMNITY

Double Indemnity	\$ 5,000
Guaranteed Monthly Income	5,650
Face of Policy	5,000

Guaranteed Payments \$15,650

*Excess Interest 900

Total Payments to Beneficiary \$16,550

Total premium paid 258.25

*Based on 1932 interest rate



HOME OFFICE BUILDING

The Family Income Policy is, as this case so well illustrates, admirably adapted to the needs of a wife who will have to support minor sons or daughters for a period of years and provide for their education.

NEW YORK LIFE INSURANCE COMPANY

51 MADISON AVENUE, NEW YORK, N. Y.

Trick Suit Over Chicago National

Records Reveal Company Owned
by Pacific States For
Four Years

REINSURANCE IS ORDERED

Official of Hollywood Company Named
Receiver for Chicago Carrier—
Impairment Is Analyzed

With considerable secrecy a decree was slipped through the superior court at Chicago ordering the reinsurance of the Chicago National Life in the Pacific States Life of California.

Although the decree has been printed and 1,000 copies are available and are being distributed where necessary the officers refused to allow a copy to be given out. However, a trip to the clerk of the superior court revealed some facts.

A bill labeled "Bill to Dissolve Insurance Corporations" was filed May 24. The plaintiff was Pacific States, a Colorado corporation, and the defendant the Chicago National Life.

Insolvency Is Alleged

The bill stated that the capital stock of the Chicago National Life consisted of 30,000 shares of \$10 par and that the Pacific States since 1927-28 had owned 21,050 shares. It alleged the Chicago National was insolvent and set forth a proposed contract of reinsurance which the court was asked to approve. By its terms the Pacific States takes the assets and applies them pro rata on the liabilities, including death claims and policy reserves. The reinsured policies have a lien attached for the amount of the deficiency. The bill states that the insurance in force is \$28,000,000, the reserve should be \$1,300,000, while the assets are only \$750,000. It also states that the Chicago National has unpaid death claims of \$80,000 and demands for cash values which it is unable to meet up to \$100,000 or more. An examination by the insurance department shows capital and surplus gone and the reserves impaired \$500,000, according to the bill. In addition there are unsatisfied judgments in considerable amount.

Another Suit on File

While it is not mentioned in the Pacific States case there is also on file in the same court a suit against the Chicago National by E. A. Marthens for commissions on group insurance under his alleged contract for 50 percent of the first year's premium and 10 percent for nine years. The cases cited, Masonic Benefit, Arkansas jurisdiction, premium \$60,000, of which \$45,000 is alleged to have been paid; Eastern Star Benefit of Pine Bluff, \$48,000 a year, three quarterly premiums paid; United Order of Good Samaritans, quarterly premium \$3,520, three quarters believed paid. The total commissions claimed in the suit are \$45,780.

The Chicago National has \$160,000 on deposit with the Illinois department and \$275,000 in Indiana.

The reason given for secrecy in the petition is that the reinsurance requires a two-thirds vote of stockholders with 30 days' notice, but if notice is given certain creditors would obtain preference.

It is recited that the Pacific States Life, which owned more than two-thirds of the Chicago National, had agreed the proposed reinsurance contract was fair and equitable, but that it wanted the

advice of the court. It was prayed that the contract be decreed fair and equitable and that Leo H. Lowe, director of trade and commerce of Illinois, be required to approve it.

The bill was signed by William L. Vernon, president of the Pacific States. The answer signed by Frank S. Heileman, president of the Chicago National, admitted "all and singular" the allegations of the bill and was filed with the clerk of court on May 26. The return of summons shows that the summons was served on Mr. Heileman on May 27.

The decree recites the allegations stated in the petition and that Mr. Lowe expressed in writing a willingness to approve the contract if it had the prior approval of the court. It then sets out the contract, holds that it is fair and equitable and orders both companies to execute it within one day. Lowe is directed to approve the contract within three days after a copy of the decree has been served upon him. James M. Crume, recently elected first vice-president of the Chicago National is appointed receiver and directed to enter into the contract of reinsurance. Trust funds on deposit with the insurance departments are dissolved so far as the court has power and the assets applied on the reinsurance contract. The court retains jurisdiction for the winding up of the Chicago National and some control of the assets.

A. L. Whitmer's Significance

A. L. Whitmer has always been regarded as the main figure in the Chicago National. He has had the title of chairman of the board and head of the Chicago National Underwriters Company, fiscal agent of the company and possessor of an exclusive agency for selling of life insurance.

Last year it was announced that the Pacific States was reinsuring the Chicago National, but this blew up. Whitmer then sought to be taken over by other companies, whose executives shook their heads after investigating. Whitmer tried to get a loan from the Reconstruction Finance Corporation.

Just recently, it was announced that a new set of officers and directors of the Chicago National had been elected, they being identified with the Pacific States. The new president was Frank S. Heileman, who was president of the Great American Casualty, which was taken over by the Pacific States.

As of Dec. 31, the Chicago National reported admitted assets \$2,048,175; net reserve \$1,467,134; capital \$300,000; net surplus \$100,232; insurance written \$8,198,798, and insurance in force \$30,159,770. It has what many regard as a white elephant in the form of a home office building at 1400 West Washington boulevard, Chicago. The company has had an erratic career.

Use of Trading Stamps to Pay Premium Barred

LINCOLN, NEB., June 9.—Commissioner Herdman has been advised by Attorney General Sorensen that he has authority to make rules and regulations covering the whole subject of life insurance premiums, and that he may forbid the use of trading stamps in that connection. The matter came up on the application of the Security Savings Corporation, which holds a general agency contract with the Service Life of Lincoln, for approval of a plan for selling trading stamps to merchants, which they would issue to patrons. The holders of the stamps, under the plan, could apply their face value on the payment of premiums on any new or old policies.

The attorney general holds that a life insurance company cannot accept in premiums anything except cash or its equivalent, and that it follows that if it might accept trading stamps, which some private company has agreed to redeem, "it may also accept potatoes, chickens, eggs, hogs, Brazilian bonds or Chinese money."

THE PILOT SPIRIT



"Daddy, I'm going to be a Pilot when I grow up"

(From the original etching)

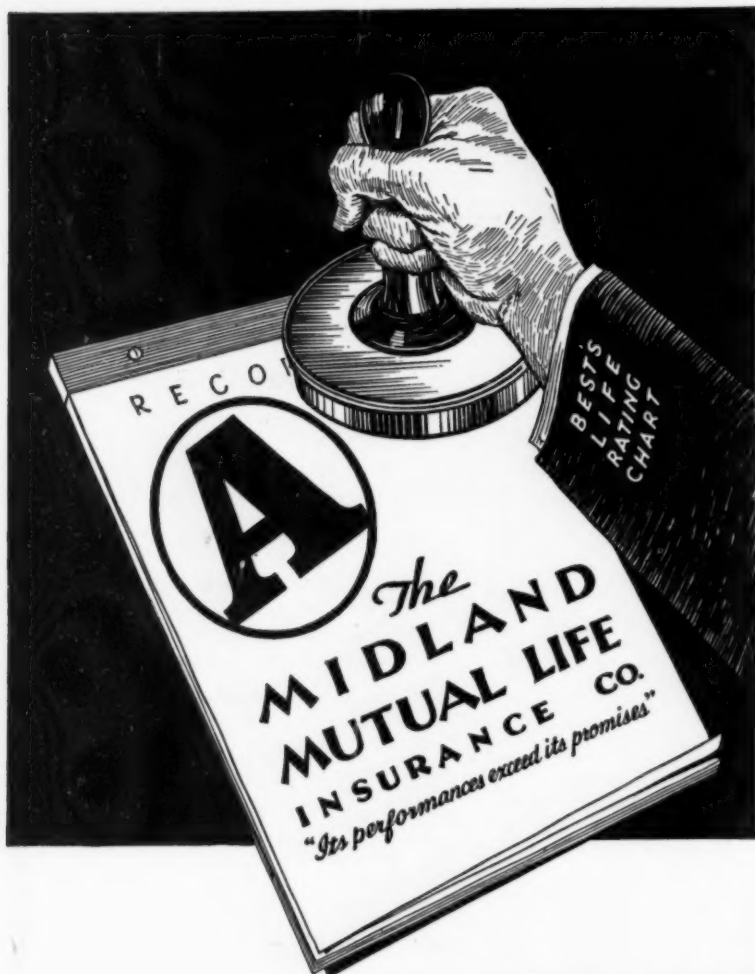
- After all, it's in times like these that the real spirit of any organization comes to light. Fine, strong, virile, has proved the Pilot Spirit against the many trying vicissitudes of the present day. During April, the average of deliveries made by all companies in Pilot territory was 74% of the 1931 delivered business.
- Pilot's deliveries during April reached 90% of 1931 deliveries for April.
- Is *spirit* intangible? Yes, but it can manifest itself in some mighty definite ways that spell progress no matter what the odds. Pilot Life is growing. Steadily, surely, with careful weighing of each forward step. In each of these we are conscious of that "Pilot Spirit" guiding the way to a sure harbor of destiny among the leaders.
- To those "Pilots to Protection" who are manifesting this "Pilot Spirit" day in and day out, go our sincere appreciation. We're proud to acknowledge their worth.



Chas. W. Gold, President

PILOT LIFE INSURANCE COMPANY

Greensboro, North Carolina



... BEST BY EVERY TEST

Best's 1932 Life Rating Chart again gives The Midland Mutual Life Insurance Company an "A" (Excellent) rating.

Midland Mutual representatives feel justly proud of their company not only because of its strong financial condition but also because it offers liberal contracts at low cost and has an unexcelled reputation for service to its policy holders and agents.

Glance at the financial statement of this company. Study its performances and you will see why it is possible for you to grow and prosper with the Midland.

THE AGENCY
DEPARTMENT

**THE MIDLAND MUTUAL
LIFE INSURANCE COMPANY**

COLUMBUS, OHIO

Creditor-Group Form Is Upheld

Alabama Supreme Court Over-
rules Superintendent in Aetna
Life Case

EXPECT WIDESPREAD USE

Contract Offers Protection to Borrow-
ers from Company's Loan Depart-
ment at Flat Rate

MONTGOMERY, ALA., June 9.—In a far-reaching decision rendered late last week, the Alabama supreme court unanimously upheld the legality of the new proposed creditor-group life insurance policy which the Aetna Life contemplates introducing into this state in connection with the making of mortgage loans on real estate. The decision declared that the policy violates none of the Alabama laws and is actuarially sound, according to the data presented in the transcript.

Writing of this form of policy was stubbornly contested by Superintendent Charles C. Greer, who maintained that it is a clear discrimination because it requires a flat rate between the ages of 21 and 59 years inclusively.

New Loan Development

The creditor-group policy is a new development and most likely will be issued by the Aetna Life throughout the country now that this legal obstacle is dissolved. The contract offers protection to borrowers from the Aetna's loan department for the amount of their loans. It consists of a master policy to be issued to the loan department and of the certificate under this master policy to be issued to each borrower from the loan department who cares to protect his loan, and a form of note to be executed by the borrower in conformity with the proposal.

"The superintendent of insurance entertained the view that the insurance feature of this proposed plan worked an unlawful discrimination among the policyholders," says the supreme court, "and was violative of Sections 4604, 4589 and 8371, Code 1923. He therefore declined his approval and threatened the insurance company with a revocation of its license to do business in this state if it attempted to effectuate the plan as proposed."

Held Actuarially Sound

The sole question in the case, according to the opinion, was to determine the legality of the proposed plan. It said that Superintendent Greer insisted that a flat rate of \$1.25 per \$1,000 of insurance works a discrimination against those of the younger ages, and that "the life insurance business is based upon actuarial tables showing life expectancy at various ages, and that any such contract which fails to give recognition to the greater cost of insurance for the older than the younger insurant violates sound and fundamental insurance principles."

"But the evidence here without dispute shows that the flat rate is actuarially sound," the supreme court continued, "and that from a financial standpoint the insurance company has nothing to fear, nor the superintendent of insurance in this respect anything of which to complain."

"The sole question, therefore, is whether or not the flat rate for all those in the borrowers' class works a discrimination condemned by our law. We are persuaded the correct answer is in the

Purple Heart Order Conferred on Life Man

Probably very few Americans know that the United States has an "Order of the Purple Heart." George Washington instituted it to reward heroism of soldiers wounded in battle, and during his presidency it was conferred on only three men. While material was being dug up for this year's Washington bi-centennial, the record of this lost order was found, and President Hoover revived it.

Life insurance has interest in the revival, because upon a life agent the decoration was recently conferred by order of President Hoover. The recipient was Capt. J. W. Hanbery, Penn Mutual representative at Long Beach, Cal. The conferring was done at a dinner of the Beloved Vagabonds, a Long Beach organization headed by Gen. H. H. Whitney, its members being soldiers, sailors, scientists, and adventurers whose deeds have won fame. Representing the President was Col. John Henry (Gatling Gun) Parker, of Santa Barbara, who was assisted by Mrs. T. A. Irons of Laguna Beach, widow of General Irons.

Reason for the Decoration

This was the great war episode which earned the Purple Heart for Captain Hanbery, according to war department records:

Captain Hanbery took a platoon from "L" company, 59th Infantry, 4th Division, of which company he was the commander, and captured a sector occupied by German machine guns. This, it is said, was the most stubbornly contested sector on the western front. In this fight all the 56 men (platoon) were either killed or wounded, and only six of the 56 lived to tell the story.

In this fight Captain Hanbery was wounded 24 times. He lay on the battlefield for 52 hours, because when the platoon captured this machine gun sector they were forced to annihilate the Germans. The German artillery and air planes seeing that the platoon had command of the sector, which was the key to a battle front of three kilometers, literally dynamited the little company out of the ground.

Rollled to the Hospital

To reach the hospital it was necessary for Captain Hanbery to roll one and a half kilometers to the rear, the wound in his thigh making it impossible for him to talk or even to crawl. Eight months was his stay in the hospital. Capt. Howard McCall, of Philadelphia, was killed while attempting to rescue Captain Hanbery from this hotly contested area. He died in the unsuccessful attempt, and was posthumously awarded the Distinguished Service Cross.

Captain Hanbery also possesses the Distinguished Service Cross, the French Medal of Honor, and other decorations, in recognition of the action which won for him the Purple Heart. It took place two kilometers north of Courchamps, France, July 19, 1918, and is known as the Chateau-Thierry fight or the Second Battle of the Marne.

negative. The generally recognized rule is that in the absence of statutory prohibition discrimination or rebating as to premiums is not illegal."

Proceeding further, the opinion said that Section 4604 "contains no prohibition against discrimination as between individuals of different ages or different life expectancies. Under the proposed plan all borrowers of the same age will pay the same premiums. It appears, therefore, that the contract offered contains nothing offensive to Section 4604." Following another lengthy discussion, the court declared there is no violation of Sections 8371 and 4589 and said finally that the "proposed plan is not offensive to our law."

Dr. John's Paper Was Notable One

Annual Meeting of Medical Section Brought Out Fine Addresses

SYKES, PRESIDING OFFICER

Many Executives of the American Life Convention Were Present at the Gathering

By EDWARD J. WOHLGEMUTH

WEST BADEN, IND., June 9.—About 150 are in attendance at the annual convention of the Medical Section of the American Life Convention, including company officials who are attending on account of the meeting of the executive committee of the convention.

The chairman's address Tuesday morning was given by Dr. L. G. Sykes, medical director of the Connecticut General, who introduced President John M. Laird of the American Life Convention. Mr. Laird spoke of the broad knowledge of medicine, statistics and human nature required of the insurance medical man and compared the limited scope and knowledge of the medical man of 25 years ago with the scientific methods adopted today. He spoke especially of the noted advance in the fields of blood pressure, quantitative urinalysis and the electrocardiogram as aids to the medical examiner in accepting risks. He gave cases showing the baffling conditions with regard to suicide cases and the difficulty of determining business or domestic trouble where conditions change almost over night.

The greetings of the president of the Association of Life Insurance Medical Directors were conveyed in a letter read from Dr. C. L. Christierin, assistant medical director of the Metropolitan, who was unable to be present, and who in his letter of regret spoke of the value of insurance medical work in determining modern medical procedure.

Dr. H. J. John's Paper

The feature of Tuesday was the notable paper by Dr. H. J. John of the Cleveland Clinic, one of the great authorities on diabetes, who spoke on the value of the glucose tolerance test in the evaluation of life insurance applications. This paper was one of the outstanding features of the convention. Dr. John held that notwithstanding the critics of the glucose tolerance test it remains the best method for separating the diabetic from the non-diabetic cases. He said that two-thirds of the life insurance applications turned down for diabetes do not have it at all. While the glucose test is expensive and not practicable without a good laboratory it still is the only sound method and he argued that the patient can well afford for the test himself. He said it is especially valuable in early cases of diabetes, when it is still possible to keep down harmful results. There is a wide division in the quantity of glucose required for the examination by the various companies and he urged a standard quantity of 100 grams, which is the standard now in use by some 75 companies. He also urged the two-hour period for taking the test. In his clinic at Cleveland he has personally done 735 glucose tolerance tests.

His paper was discussed by Dr. J. B. Nichols of the Acacia Mutual, who brought out some of the ways in which

(CONTINUED ON PAGE 21)

The Agent's Golden Opportunity

(A Repeated Message)

NEVER has the use of life insurance as a means of protection, savings and investment, had a stronger appeal to the public than at the present moment.

In this economic situation the certainty of life insurance in its investment features stands out in high relief. People realize more than ever how necessary life insurance is as a foundation on which to build personal, family and business security.

They know that the cash values of their life insurance are immediately available to tide them over difficulties when accommodation is needed.

Then, too, it has become widely known that no matter how few premiums have been paid, the dependents have been made safe, for they will receive the full amount if the policy is in force at death.

Of equal moment is the fact that the public has been taught that life insurance can provide for the insured's own later years and that he can arrange to enjoy its benefits, either in cash or as a monthly income for life.

In the light of these conditions, the Life Underwriter will not permit his clientele to forget what the past few years have taught them about life insurance.



Sixty-nine years in business; 87 millions of dollars paid to policyholders in 1931. Complete life insurance service for financial and personal protection, including Family Income and Retirement Fund. All forms of Annuities; Group Life, Group Accident and Sickness; Wholesale and Salary Deduction. Assets \$621,278,133; Reserves and all Other Liabilities \$577,452,317; General Safety Fund \$43,825,816.

CONFIDENCE



built by the
GREAT SOUTHERN'S
system - - of
Cooperation

ANY successful Life Insurance representative will tell you that confidence, in himself, in his company—and in the pair's ability to satisfactorily serve the insured, is a highly important step toward success.

The Great Southern adheres strictly to this plan. It maintains direct contact with its representatives simply, easily and effectively by a contract direct with the home office. Its cooperation is comprehensive and constructive. Supervisors assist in working out special insurance programs, closing contracts and aiding in reducing lapsation.

Each Great Southern representative knows that the resources, knowledge and experience of this progressive company are supporting him—are encouraging his ambitions and ideals—are making him confident in himself, his company and their combined ability to properly satisfy his prospect.

The financial strength and the company's complete line of policies are other influences which build his confidence. There is a type of policy for every age and purpose at rates that are as low, if not lower, than others. The company's admitted assets are more than \$41,000,000.00 and its surplus protection to policyholders is more than \$4,500,000.00 greater than required by law.

We have openings for men who care to avail themselves of this opportunity. Write the home office.

**GREAT SOUTHERN
LIFE INSURANCE COMPANY**
E. P. GREENWOOD - PRESIDENT
HOUSTON TEXAS.

Examiner's Job Is Difficult—Laird

Should Study Insurance Requirements, Be Respected in Community, Loyal to Company

— VIEWS OF A. L. C. HEAD —

Medical Directors at West Baden Hear Illuminating Papers by Dr. McCloud and Dr. Young

In bringing greetings as president of the American Life Convention to members of the medical section of that association in session at West Baden, Ind., John M. Laird analyzed the difficulty of the position of the medical examiner and suggested what his proper attitude should be. Mr. Laird is vice-president of the Connecticut General.

The examiner, Mr. Laird pointed out, makes his living in the community where the applicant resides and naturally would like to see the man obtain the insurance protection his family needs. Usually being a friend, he is interested in the agent's welfare. It is the problem of the examiner to retain his professional standing in his own community and play fair with the insurance company.

As a matter of common honesty and professional pride, according to Mr. Laird, the examiner must make a thorough physical examination. "He cannot run the risk of failing to detect a significant heart murmur," Mr. Laird declared.

Complete Family Record

The examiner must win the confidence of the applicant and obtain complete and accurate details of his family record and personal history of illness or injuries. He must get additional facts from the attending physician or hospital.

The examiner's work does not always end when the policy is issued. Sometimes when death occurs within two years, the company finds that the con-

tract was obtained by misrepresentation or concealment. The applicant may have been under treatment shortly before applying for insurance. In these cases, one of the key witnesses is the field examiner who must be prepared to testify that he specifically asked the applicant each question on the blank, that the applicant understood their significance and that his answers were recorded in full.

An important part of the medical director's work, Mr. Laird pointed out, is to build and maintain a good organization of field examiners interested in studying the special requirements of insurance examinations, respected in the community and loyal to the company.

Medicine, Statistics, Human Nature

The medical director, he said, is just as interested in each applicant as the family physician or the examiner, but his success depends on getting a good average on 1,000 lives. This requires a broad knowledge of medicine, statistics and human nature.

The successful medical director secures the confidence and cooperation of the field force, he said. He shows a readiness to listen to the other man's viewpoint. If right, he has the courage to maintain his position tactfully and patiently with those who do not understand medical terms. He is open-minded and ready to reconsider any case in the light of new information.

Mr. Laird said that 25 years ago the medical director was obliged to rely pretty much on a simple examination and his own personal experiences. He depended on intuition, hunch and horse sense. Recently, however, there have been important advances for medical men in life insurance. Statistics have been accumulated and there has been a transition in selection from the personal equation to the application of scientific methods.

Blood Pressure Important

Blood pressure is recognized as a highly important factor in its effect on longevity. Both as to albumen and sugar, the personal element has been largely eliminated and replaced by a measured quantity.

Mr. Laird predicted that the electrocardiogram will aid in selection, have an effect on mortality and stimulate further interest in the entire question of heart disease in the medical profession.

In this connection, Mr. Laird recalled
(CONTINUED ON PAGE 21)

Medical Section Officers



DR. L. G. SYKES, Hartford
Chairman



DR. H. W. DINGMAN, Chicago
Vice-Chairman

Dr. L. G. Sykes, medical director of the Connecticut General, presided this week at the annual meeting of the medical section of the American Life Convention at West Baden, Ind., he being chairman. Dr. H. W. Dingman of Chi-

cago, vice-president and medical director of the Continental Casualty and Continental Assurance, is vice-chairman. Both are active in the deliberations of the medical section as well as the parent organization.

Many Live Topics Before Conference

Health & Accident Underwriters Assemble in Chicago for Annual Meeting

HEAR IVES, DON CARLOS

Unusually Large Attendance Is Attracted by Notable Character of Program Offered

The notable character of the program offered including discussions of some of the most vital problems of the business today, brought out an unusually large attendance for the annual meeting of the Health & Accident Underwriters Conference, which opened its sessions at the Edgewater Beach Hotel in Chicago Tuesday, continuing through Wednesday and Thursday. Nearly 100 people were on hand for the opening session and later arrivals swelled the registrations very materially.

Walter E. Webb, executive vice-president National Life, U. S. A., gave the address of welcome. He emphasized the point that the best way to meet the problems of today is for every man to give his earnest attention to solving his own individual problems, pointing out that the so-called supermen have all faded out and the experts have all been wrong in their guesses.

Don Carlos Talks on Claims

Two notable guest speakers were featured at the Wednesday morning session. H. S. Don Carlos, associate chief adjuster of the Travelers and president of the International Claim Association, speaking on "Underwriters' Chickens," said that title was intended as an abbreviation of "Underwriters' chickens come home to roost in the claim department." He said underwriting is divided into three parts—the policy coverage and wording, the agent's selection of risks and passing on submitted risks. He emphasized the important part that the agent plays. He also divided claimants into three classes, the crook, the "sappy soul" and the genuine disability, and outlined the procedure to be followed with each class.

Bowen Reviews Bureau Program

P. H. Rogers, Massachusetts Bonding, read a paper by E. C. Bowen, secretary Aetna Life, reviewing the new underwriting program of the Bureau of Personal Accident & Health Underwriters, which was very comprehensive in nature and yet presented the changes that have been made in a form that could be easily understood. He declared that the bureau program "is a distinct success and represents the most constructive work ever undertaken in this business at one time." While some delays have been inevitable in making changes of such an extensive character, he said that no complaints have been made to the bureau and that the good faith of subscribing companies is not questioned. He emphasized the elasticity of the program, but stated that the number of special coverages, which do not conform to the bureau's advisory policies, submitted for approval and rating, has been much smaller than was expected.

Legislative Trends Listed

The report of the legislative and public relations committee, presented by J. W. Scherr of the Inter Ocean Casualty, chairman, reviewed some of the disturbing trends in insurance legislation, to-

gether with measures proposed at legislative sessions held this year, which were not numerous, as 1932 is an "off" year.

There were also two round table sessions Wednesday morning, one on "Lapsation—how can it be prevented?" by L. R. Aitchison, Mutual Benefit Health & Accident, and the other on "What is the future of the monthly premium industrial business?" introduced by F. M. Feffer, Abraham Lincoln Life.

Wednesday afternoon was given over to a demonstration of the "lie detector" by Dr. Leonard Keeler, Scientific Crime Detection Laboratory, Northwestern University, and a brief executive session. At the banquet Wednesday night, President MacEwen was toastmaster and Maj. N. A. Imrie of Culver Military Academy was the speaker.

MacEwen Reviews Year's Work

President D. C. MacEwen in his annual address reviewed the accomplishments of the conference during the past year, citing the work done by some of its more important committees and making especial reference to the conference with insurance commissioners at Salt Lake City. He spoke of the effort of groups of companies, and particularly what is known as "quarterly premium" group, to agree on certain uniform

Ohio National Buys Building

The Ohio National Life has purchased a building just north of the northeast corner of Reading road and Morgan street at Cincinnati, which ultimately it will occupy as a home office. Its quarters are now in the Duttenhofer building. The new building was bought from the United Autographic Register Company. It has been unoccupied for 18 months. It was formerly occupied by the Globe Register Company, which was absorbed by the United Autographic of Chicago.

The structure is four stories high and contains 48,000 square feet. The Ohio National contemplates using only part of the space for its activities. It will make extensive alterations both in the exterior and interior. There is a warehouse south of the building and two frame dwellings on Morgan street included in the purchase. The warehouse and frame buildings will be demolished. President T. W. Appleby plans to landscape the yard in a tasty way.

phraseology and standard underwriting practices as one of the most encouraging signs of real progress. In that connection he suggested the possibility of forming within the conference special sections to study the needs of particular classes of accident and health insurance or special departments of the business.

Women Chairmen Named

Mrs. Leila Leitner, Sun Life, and Mrs. Gladys Leggett, Travelers, have been appointed as chairmen of the women's entertainment committee for the National Association of Life Underwriters

convention to be held in San Francisco in August. Both women are leading producers for their companies and prominent in club and social life. Interesting, entertaining and instructive trips are now being planned by Mrs. Leitner and Mrs. Leggett, who urge that all life underwriters attending the convention plan to bring their wives, promising that they will have a highly enjoyable time.

"The Fraternal Digest" is a complete policy-rate-dividend-net cost analysis and report of the fraternal orders and mutual life associations. Price \$2. Order from The National Underwriter.



ORGANIZED SELLING METHODS

were used by one man, a newcomer to the job of the "Man on the Street", and his first 6½ months ended with \$310,000 of business

THE MINNESOTA MUTUAL LIFE INSURANCE CO.

Saint Paul, Minnesota

THE NATIONAL UNDERWRITER

LIFE INSURANCE EDITION

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The Twister's Dilemma

A MAN who is frankly a twister, stated the other day that he had abandoned the practice of attempting to replace policies, because, although he is able to induce many people to drop their present insurance, he is not able to replace that insurance with his own.

This man declared by casting enough doubt on the integrity of the company whose policy he is attempting to replace, that the policyholder becomes suspicious of the institution of life insurance and all companies.

The public is in an iconoclastic mood and there is no institution that it will not question. The head of an investment information bureau informs THE NATIONAL UNDERWRITER that whereas in the past inquiries about insurance companies were extremely rare, now several inquiries are received each day and concerning companies about which insurance men would feel that an inquiry would be just short of sacrilegious.

This growing inquisitiveness on the part of the public may be nullifying the work of twisters. A twister may convince a man that his present company is shaky and the man may be induced to surrender, but the door has been opened for questions about the twister's own company and all companies. He will not take the new insurance until after he has made inquiry about the proposed

company and he may get the long faced comment: That company is loaded with railroad bonds, or mortgages, or stock or has a white elephant in the form of a home office building, etc. And he may decide that he is better off without any insurance at all.

One of the most wholesome attitudes today is that expressed by the manager of a fire insurance company in a communication to his field men. He told them to emphasize the virtues of their own company and not to cast reflection on competitors. He pointed out that knowledge of the condition of a company can only be obtained after, in some cases, months of accounting work. A multiplicity of factors is involved and to brand a company as insolvent or shaky because of a sore thumb, is suicidal. Every company has a sore thumb or two today. It is ridiculous to hint that these afflictions at the extremities are fatal. Now is the time when the virtue of a program of diversification in investments is emphasized. There would be no virtue in diversification if there were assurance that all securities would be worth par always or would increase in value. By diversification companies assure themselves that a sore thumb is likely to be the only consequence of difficult times like the present.

Quitter Never Wins: Winner Never Quits

MANAGER J. A. DIFENBACH of the MUTUAL LIFE of New York at Davenport coins epigrams and has inspirational messages that are encouraging in these days of sore trial. At his recent convention Mr. DIFENBACH stressed the thought that "a quitter never wins and a winner never quits." There is scarcely a person who is not affected in some way or other by

this unusual economic and business storm. This probably is the greatest testing time that our country has ever seen. It is a time that really tries men's souls to the utmost. It certainly is a day when the winners will survive. And the winners will be those who stick steadfastly to their task with courage, determination and zeal.

PERSONAL SIDE OF BUSINESS

R. C. Bright, aged 62, a veteran of 40 years in the service of the Fidelity Mutual Life, died suddenly near DeWitt, Ark., while returning from a combined hunting and business trip.

Entering the insurance business at Prescott, Ark., Mr. Bright later became state manager with headquarters at Little Rock.

M. W. Wilder, Jr., treasurer of the Mutual Benefit Life, celebrated his 35th anniversary of service with the company last week. Mr. Wilder joined the company in 1897 as a member of the finance department, became an assistant treasurer in 1919 and was elected to his present position in 1928.

A. M. Sweeney, one of the founders and first president of the State Life of Indianapolis, is going to Ireland this month to visit scenes that are familiar to him from history and tradition. When he sets foot in Erin he will have two letters of introduction that will vouch for him as a worthwhile American. One is a letter from Henry L. Stimson, secretary of state, introducing him to diplomatic and consular representatives. The other is from Michael MacWhite, minister from the Irish Free State, introducing Mr. Sweeney to President de Valera of Ireland.

Mrs. O. F. Davis, wife of the assistant agency director of the Abraham Lincoln Life, died very suddenly at Springfield Sunday, when an embolism developed following a minor operation. She leaves three small children, the youngest seven months old. Mr. Davis was on the program for the annual meeting of the Health & Accident Underwriters Conference in Chicago this week, but of course was unable to attend, his place being taken by F. M. Feffer, vice-president of the Abraham Lincoln.

G. F. Claypool, executive vice-president Continental Assurance in Chicago, and D. M. Phipps of the agency department are on a circuitous trip to the Pacific Coast, holding agency meetings en route, and will be away a month.

W. T. Grant, president Business Men's Assurance, and Mrs. Grant are on a motor trip to the east with J. H. Torrance, vice-president, and Mrs. Torrance. The Torrances stopped over at St. Louis, where Richard, their son, will be graduated from St. Louis University. The Grants continued on to Chicago where Mr. Grant is attending the meeting of the Health & Accident Underwriters Conference.

From Chicago, the Grants and Torrances will go to hold regional meetings at Detroit, Columbus, Huntington, W. Va., Nashville, Louisville, Indianapolis and Springfield, Ill.

Miss Frances Grant, who has been in Washington attending Chevy Chase, will join the party at Columbus.

B. V. Hubbard, who is the sole survivor of the charter members of the Chicago Life Underwriters Association started some 43 years ago, is lying at the point of death at the King's Old Men's Home in Chicago, being afflicted with cancer. Mr. Hubbard at the time the association was organized was manager of the Provident Savings Life. There were 15 charter members. A movement was started some years ago led by L. Brackett Bishop, which resulted in the Chicago association appropriating \$500 to secure Mr. Hubbard a life membership in King home. Mr. Hubbard is an honorary member of the Chicago association. A few days ago President A. E. Patterson sent some flowers and a personal letter to Mr. Hubbard conveying the greetings and good wishes of the organization. Of the old-timers who are still in the association perhaps Mr. Bishop and Jules Girardin of the

Phoenix Mutual are the only ones who came in contact with Mr. Hubbard. Col. J. H. Strong of the John Hancock, who was former manager of the United States Life, was one of the early members of the Chicago association. F. W. Bleike of the Mutual Benefit Life agency is also one of the old-timers. Colonel Strong retired from the organization, however, when the big split occurred many years ago over an annual election and he never returned to the fold.

Mr. Hubbard later became connected with the Illinois insurance department at Springfield, being assistant superintendent. Subsequently he got up a number of pamphlets attacking fire and casualty reciprocal companies.

Very few friends of E. M. Ackerman, executive secretary of the Illinois Insurance Federation, know that after experience as an army aviator during the war he was for four years one of those barnstorming "gypsy" flyers who contributed so much to developing aviation and to increasing aviation mortality. Ed. still looks back with fond recollections to that time when all the "yokels" wanted to fly and had the \$25 a day which was then the price for a short jaunt; and to one particularly felicitous day when the gross "take" was some \$600, most of it profit.

I. A. Lower of Topeka has announced his candidacy for the Democratic nomination for superintendent of insurance of Kansas. He is particularly well known to accident and health men. He was at one time president of the Safety First Accident & Health of Oklahoma City and was in the accident and health business in Topeka before going to Oklahoma City. For several years past he has been engaged in insurance work in Topeka.

W. P. Kingsley, vice-president Penn Mutual Life, is spending some time on the Pacific Coast. He is now in San Francisco with Ben F. Shapro, general agent, after spending some time with Will Ferguson, general agent in southern California. Mr. Shapro met Mr. Kingsley at Los Angeles, accompanying him to San Francisco.

According to a custom of 15 years, the home office staff of the Indianapolis Life were birthday party guests of President F. P. Manly and Mrs. Manly at their country place, "River-By," north of Indianapolis on his birthday, May 28. About 140 enjoyed the hospitality, engaging in games and field contests. Mr. Manly was first in the trap shooting contest.

J. M. Holcombe, Jr., manager of the Life Insurance Sales Research Bureau, is on a two-week trip through the south and middle west. He will visit the home offices in Washington, D. C., Richmond, Greensboro, Birmingham, Nashville, Cincinnati, Indianapolis, Fort Wayne and Detroit.

H. G. Kenagy, assistant manager of the Research Bureau, has just returned from Cincinnati where he conducted a meeting of a group of 11 agency builders who are cooperating in research into some of the problems involved in building life insurance sales organizations.

Harry S. Haskins, Des Moines, state agent for the John Hancock Mutual Life, and J. F. Suiter, Princeton, Ia., agent, were seriously injured in an automobile accident near Atalissa, Ia., last week.

Mrs. Mary Van Wyke Homans, 53 years of age, wife of I. Smith Homans, vice-president and actuary Commonwealth Life of Louisville, died suddenly of a heart attack just after a swim in Herrington lake, near Danville, Ky., last

Sunday afternoon. Mrs. Homans had been in Danville for a few days in connection with the graduation of her daughter, Miss Emily Homans, from Centre College.

Sidney W. Souers, financial vice-president Missouri State Life, has returned to his desk and is fast recovering his strength and vitality. Several weeks ago he underwent an appendicitis operation.

H. K. Lindsley, president Farmers &

Bankers Life of Wichita, has filed his candidacy for reelection as state senator on the Republican ticket. He has previously served a four year term in the Kansas senate and two years in the house.

C. D. Erd, agency secretary of the Union Central, who for some time has been in charge of the Los Angeles agency, lost his mother, Mrs. J. W. Erd of Norwood, O., by death. Mr. Erd returned all the way by air to attend the funeral.

mately 20 percent ahead of the average of regular business for the first four months of this year.

The volume of business produced in May was the largest of any month since November, 1931. The number of applications was likewise greatest since November, 1931. The business for the last day of May was the largest single day since Mar. 17, 1932. The number of applications received was greater on May 31 than on any day since Sept. 10, 1931.

An analysis of the business sold during Hall month reveals some interesting facts. The type of policy most sold as could be expected, was ordinary life. Compared, however, with May of last year a considerable increase in the sale of all endowments was noted. Similar studies showed a great increase in investment (single premium) forms and annuities sold this month over months preceding.

National Accident, Lincoln, Financing Life Department

The National Accident of Lincoln, Neb., has voted an increase of capital from \$82,000 paid up to \$200,000, and is now selling bonds to supply the new

capital. These are sold on the savings plan basis, each purchaser paying \$136.05 each year for five years. At the end of 12 years he has the option of taking \$1,000 stock in the company or of getting back in cash all that he has paid in plus \$320 in stock.

Has Participation Right

Annual payments may be made in instalments. Stock is issued as soon as \$320 has been paid, and although the stock remains in trust with the First Trust company of Lincoln, the owner has all rights of participation in dividends and in voting. A reserve is built up out of payments sufficient to mature and retire the bond, and invested as are the reserves of life insurance companies. Dividends may be drawn or allowed to accumulate at 4 percent compound interest to hasten maturity of the bond. It also has loan and cash surrender values and is negotiable. All proceeds are to be used to provide working and surplus for the company, which proposes to add life insurance to its accident and health lines. A recent survey of the agency force of more than 300 members showed that these men had, on their own account, sold over \$7,000,000 of life insurance during 1931. George L. Waters is president and Leland L. Waters secretary-treasurer. The company operates

NEWS OF THE COMPANIES

Ben Dingman Made President

Succeeds His Father, Who Died Recently, as Head of Guaranteed Securities Life

TOPEKA, KAN., June 9.—Ben Dingman has been elected president of the Guaranteed Securities Life, Topeka, to succeed his father, Charles W. Dingman, who was killed in a motor car accident. He is believed to be the youngest life company president in the country. Ben Dingman has been associated with his father in the management of the company ever since it was organized. Last year he became a vice-president and later secretary-treasurer.

He completed his college course at Washburn some years ago but was graduated from the law school this month and is to take the state bar examinations later in the month. He does not expect to practice law except as it may be necessary in handling the affairs of the company.

L. D. Lichty was elected first vice-president, Hugh T. Fisher, Topeka lawyer, second vice-president, and Miss M. E. Jones, secretary-treasurer.

C. W. Dingman organized the company in 1927 and had been the active manager ever since. The company carried \$50,000 insurance on his life. The proceeds of this insurance will add materially to its reserves and furnish additional working capital if it is needed at once. Recent examinations of the company show it to be in excellent financial condition.

Union Central's Big Month

Writes \$17,500,000 in May and Pays for \$11,500,000—Many Agencies Record Increases

Written business of the Union Central in May was \$17,542,821, the largest application total since October and exceeding May, 1931, by almost \$600,000. The paid for business in May was \$11,484,306, a slight increase over May, 1931, and the largest total of settled business for any month since June last year.

There were three million dollar agencies in the month on paid basis, that of Manager H. A. Zischke at Chicago with \$1,009,296, a substantial increase over the same month last year; and the other T. H. Daniel agency at Atlanta, Ga., with \$1,126,500. For the first five months this year the Daniel agency had an increase of about \$500,000 paid for over the same period last year.

The C. B. Knight agency of New York wrote \$2,703,665 in the month and paid for \$2,133,146. Other agency figures were: E. C. Wier agency, Birmingham, \$495,680 paid for, \$784,000 written, an increase of \$250,000; home office agency, \$572,253 paid for and \$1,256,272 written; J. C. Benson agency, Kansas City, Mo., \$406,984 written; B. A. Wiedermann, San Antonio, Tex., \$334,000 paid for and \$700,000 written; W. L. McPheeters agency, Cleveland, \$786,104 written; O. J. Fisher agency of Kansas, \$610,000 written; Lee & Lee agency, Dallas, \$563,650 written.

Interesting Results Shown

Lincoln National Life's May Contest Brought Out a Number of Points in Production

The May contest of the Lincoln National Life held in honor of President Hall proved successful in spite of the general bad reputation 1932 is holding in the business world. The regular business for the month ran approxi-

THE NWNL TRADITION OF SECURITY

[[NWNL's tradition, placing security above all other considerations, and the continuity of the management which has carried on and perfected this tradition, give definite assurance that regardless of times and conditions, NWNL will never compromise security.]]

ECONOMY OF OPERATION for SECURITY

The men who direct the destinies of an institution are as important an indication of its strength as are the figures of its financial statement.

Board of Directors

*F. A. CHAMBERLAIN

Chairman of the executive committee, First National Bank of Minneapolis. Director since 1905.

*E. W. DECKER

President of the Northwest Bank and of the Northwestern National Bank of Minneapolis. Director since 1905.

*C. T. JAFFRAY

President of the "Soo Line" Railway and Chairman of the Board of the First Bank Stock Corporation. Director since 1906.

*THEODORE WOLD

Vice President, Northwestern National Bank and formerly Governor, Federal Reserve Bank, Ninth District. Director since 1926.

E. L. CARPENTER

President of Shevlin, Carpenter & Clarke Co., nationally known wholesale lumber dealers. Director since 1911.

A. F. PILLSBURY

Treasurer, Pillsbury Flour Mills Company, known all over the world. Director since 1924.

*THOMAS F. WALLACE

President, Farmers & Mechanics Savings Bank, the largest savings bank between Cleveland and San Francisco. Director since 1925.

F. T. HEFFELFINGER

President, F. H. Peavey Company, largest grain firm in the world. Director since 1928.

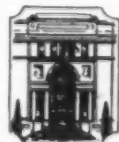
*O. J. ARNOLD

President, Northwestern National Life. Director since 1925.

*Member executive and finance committees.

NWNL's business has been produced at an expense fair to both agent and policyholder. Fieldmen have been liberally, but not excessively, compensated for persistent business. Home Office effort to increase the volume of new business has been directed, not to the unrestrained opening of new agencies nor the enrollment of an increasing number of producing agents through the inducement of "long" commission contracts, but to increase the production of the individual men by providing complete policy equipment and the best of sales helps, together with an unexcelled Home Office service, for a carefully selected agency organization. This procedure brings well selected persistent business at low cost and exemplifies the spirit of economy without penury which governs Home Office as well as field expense, resulting in as low operating costs as are consistent with the high type of service offered to agents and policyholders.

Conservatism in expenses of operation is an index of an attitude on the part of the management which makes for security. The NWNL Tradition of Security guides the Company's policy in this respect as in all others.



**NORTHWESTERN NATIONAL
LIFE INSURANCE COMPANY**

Minneapolis, Minn.

STRONG

LIBERAL

agencies in Kansas, Oklahoma and Colorado, with more than 7,000 policyholders.

Chieftain Life Abandoned

COUNCIL BLUFFS, IA., June 9.—Stress of financial conditions interfered with final organization of the Chieftain Life, launched here two years ago by J. W. Beardsley, president, and a local syndicate, and last week announcement was made of dissolution of the company.

Mr. Beardsley in association with T. E. Davis, former superintendent of agencies for the Chieftain, will open a southwestern Iowa agency here for the American Union Life.

The Iowa law requires that before a company may operate it must have 250 applications for \$1,000 each on file, in addition to a \$25,000 guaranteed surplus fund. The Chieftain lacked only 12 of that number of applications but was unable to obtain the guaranteed surplus.

Gibraltar Increases Capital

DENVER, June 9.—The Gibraltar Life & Accident has again increased its capital and surplus \$106,000, the amount being paid in United States Liberty bonds, W. J. McGettigan, vice-president, announces.

The latest increase boosts the capital from \$200,000 to \$250,000 and surplus from \$62,000 to \$118,000. This is the second capital increase since the first of the year, approximately \$140,000 having been added to capital and surplus early in the spring. The company has just been licensed in Oklahoma and New Mexico, making four states in which it is now operating. It will apply for licenses in about six more states at once.

Great American Enters Illinois

The Great American Life of Hutchinson, Kans., has been licensed in Illinois. S. M. Babbitt, the president, is a well known insurance executive. Its assets

AMONG COMPANY MEN

Leaver to Provident L. & A.

Des Moines Man Named Vice-President of Chattanooga Company in Charge of Life Agencies

The Provident Life & Accident has appointed John H. Leaver of Des



JOHN H. LEAVER

Moines vice-president in charge of agencies for its life department. He as-

sumed his new post June 6 moving to Chattanooga with his family. Mr. Leaver goes to the Provident from the Missouri State Life. He joined that company in 1926 as agency special in the St. Louis branch. He soon became assistant manager of that branch and later was made supervisor of agencies for the northern territory. He has been manager of the Iowa-South Dakota branch since February, 1930.

Mr. Leaver is a native of Missouri, born near St. Louis, and an alumnus of the University of Missouri. He served in the naval aviation corps during the war and still retains a commission in that branch of the service.

MANAGERS' ASSOCIATIONS

Confer With Trust Officials

Detroit Managers Association Initiates Movement for Establishing Closer Relations

DETROIT, June 9.—The foundation for the cementing of amicable relations between life men and trust officials in Detroit was laid at a directors meeting of the Associated Life General Agents & Managers of Detroit, when five executives of local trust companies accepted an invitation to be present for a discussion of mutual problems.

It was agreed that the best interests of all can be served by discouraging any tendency of underwriters to criticize trust companies or of trust company employees to disparage life insurance. It

was brought out that an increased demand for the release of policies held by trust companies under life insurance trust agreements is not being suggested by life underwriters but is originating with the policyholders as a direct result of bank failures. The public should be educated to the fact that insurance trust funds are entirely separate from any other funds of the trust companies, and are not in danger of being tied up, the conference agreed.

M. L. Woodward, Northwestern Mutual, president of the association, presided. Trust officials present were A. H. Foster, Equitable & Central Trust Company; E. H. Henderson and E. S. Snyder, Detroit Trust Company; A. D. Jamieson, and J. A. Pierce, Union Guardian Trust Company. The trust officials expressed themselves as being heartily in favor of future meetings of the same nature.

Writes Million in May

The M. L. Woodward general agency of the Northwestern Mutual in Detroit turned in more than \$1,000,000 of business in May, the biggest month's business in the past year. A notable fact in this connection seems to be that the large buyers are again in the market. Several \$100,000 and \$50,000 cases were written last month.

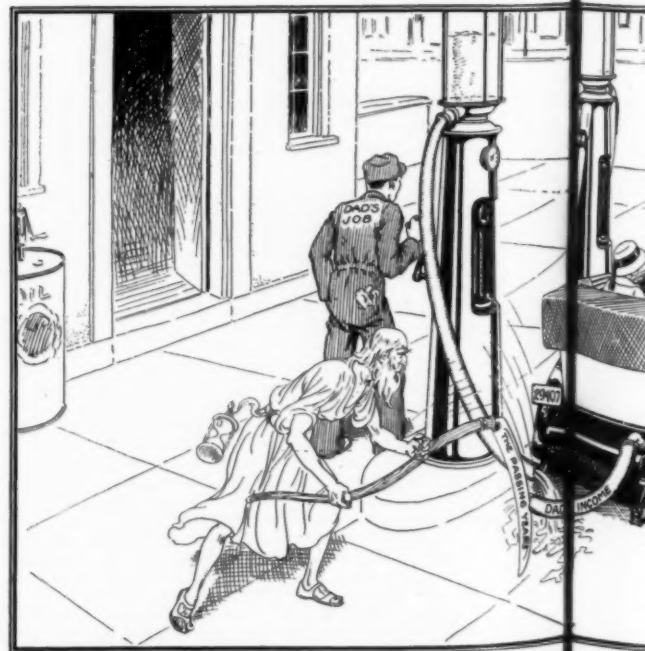
A picture of W. T. Gage, veteran Detroit life underwriter who still is licensed to write insurance despite his 86 years, was carried in the rotogravure section of a Detroit newspaper last week as one of the few remaining veterans of the Civil War in that city. Mr. Gage retired some years ago after having been general agent for the Northwestern Mutual for many years.

License of the Giant Oaks Association of Tulsa, a fraternal, has been cancelled by the Oklahoma insurance board, due to alleged insolvency. Commissioner Read estimated that it had about \$4,500 in unpaid claims. The association wrote life, health and accident insurance.

A company progresses only as well as it treats its representatives and policyholders. That explains fully why the Western and Southern has become one of the strongest life insurance companies in the United States.

It has always been the policy of this company to take a personal interest in each one of its representatives and policyholders. During the past year it has not only increased salaries twice but has lowered its guaranteed premium rates to a lower level than ever before. They are now among the lowest in the United States. This reduction has richly benefited field men and policyholders alike.

Western and Southern representatives are given every assistance and encouragement, with 52 weeks of steady employment *every year*. New offices, now being opened, offer splendid opportunities to worthy men.



When Dad's income stops through death, disability or old age, Life Insurance pays.

LIFE AGENCY CHANGES

Anderson Succeeds Leaver Several Equitable Changes

Missouri State Life Agency Supervisor Made Des Moines Manager, Covering Iowa and South Dakota

R. R. Anderson, agency supervisor from the home office of the Missouri State Life, has been named manager of the Des Moines branch office, covering Iowa and South Dakota. He succeeds John H. Leaver, who has become vice-president of the Provident Life and Accident.

Mr. Anderson has been with the Missouri State Life for 14 years. Seven years ago he became agency supervisor, traveling the entire United States. In more recent years he has traveled mainly in the western half of the country. He is a native of Missouri and a veteran of the world war, in which he saw active service at the front. He has traveled in Iowa for years and is well acquainted with conditions there.

M. M. Duncan

M. M. Duncan, field supervisor of the Royal Union Life at Jackson, Miss., has been transferred at his own request to southeastern Missouri with headquarters at Sikeston where he will engage in personal production and build a general agency.

J. W. Lawrence

J. W. Lawrence has been appointed Kansas City, Mo., general agent of the Berkshire Life. He has been in life insurance there for a number of years and has a broad knowledge of the business. The office continues at 319-21 Dwight building.

Associate Agency Managers Are Appointed in Chicago and Kansas City, Mo.

Appointments of assistant agency managers have been made by the Equitable of New York in the central department territory under William Rothaermel, superintendent of agencies. C. M. Lobaugh has been appointed assistant in the P. B. Hobbs agency at Chicago to succeed W. H. Bender, who was promoted to agency manager in New York City.

Three new assistants have been appointed at Kansas City consequent upon the elevation of W. V. Woody to agency manager at Baltimore. The appointees are B. R. Cecil, J. E. Stocking and T. L. Johnson, all of whom have been agents there.

T. W. Wachob has been appointed district manager at Bloomington, Ill., attached to the C. R. Golly agency at Peoria.

F. V. McNair

The Lincoln National Life announces the appointment of F. V. McNair as general agent in Washington, D. C., with offices in the American Security building. Previous to his entry into the life insurance business he was for 32 years an officer of the Navy. Upon his retirement he held the post of commander. Mr. McNair is a graduate of the U. S. Naval Academy.

Roger Q. Milstead

H. C. Cross, manager Prudential ordinary department at Cincinnati, announces the appointment of Roger Q.

Milstead as assistant manager. Mr. Milstead has been in the life insurance business for seven years. He was formerly Missouri manager for the Lincoln National Life. Beginning June 1 Mr. Cross' agency started a three months effort with a goal of at least one million a month. Mr. Cross went to Cincinnati about two years ago to take charge of the Cincinnati agency and has made a good record. He was formerly a personal producer at Cleveland.

E. H. Steffelin

E. H. Steffelin, sales director of the Illinois Life for some time, now is Illinois manager for the Girard Life with headquarters in Chicago. He succeeds S. S. Eckstone who in March left the Girard to become manager of the life department of the Robert H. Beard & Co. general agency of the Philadelphia Life in Chicago. Mr. Steffelin in May, his first full month of active production, led the company in personal sales. He is actively developing the state, having appointed a number of county managers, including George Reed of De Kalb, past commander of the Knight Templars.

Bryson Loughridge

Bryson Loughridge, president Detroit Life Supervisors' Association, has resigned as assistant manager of the Prudential ordinary agency in Detroit, and will continue as a personal producer. Mr. Loughridge was assistant to F. L. Klingbiel, agency manager, since Feb. 1, and prior to that was for three years educational director of the A. P. Ballou agency of the Mutual Life of New York in Detroit.

Herbert C. Runyan

Herbert C. Runyan of Fargo, formerly North Dakota state agent for the Commercial Union, has left for Syracuse, N. Y., where he will join the agency of the Equitable Life. He was honor guest at a farewell dinner at which field men

of a number of companies in Fargo were present.

Mr. Runyan has held a number of offices in the Blue Goose and the North Dakota Fire Prevention Association.

Grover W. Whitten

The Ohio State Life has appointed Grover W. Whitten general agent at Oklahoma City. He was formerly secretary-treasurer of the Oklahoma Life and organized the health and accident department of the American National Life of Galveston.

Arthur S. McCalmont

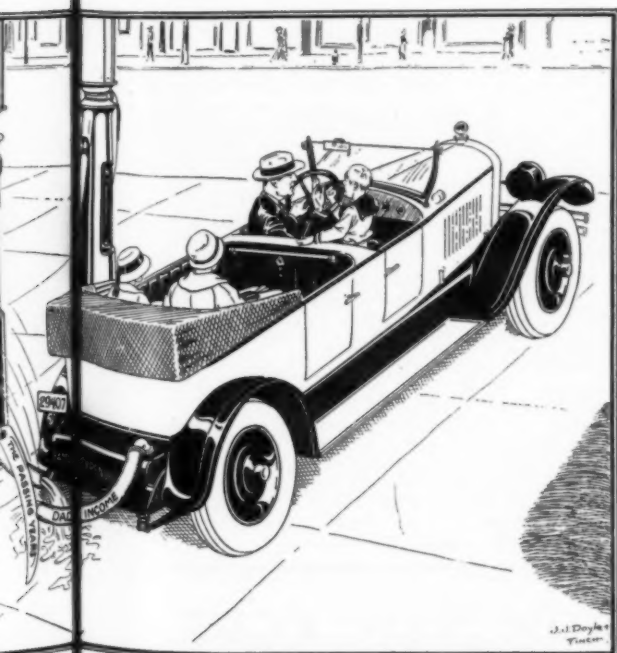
NASHVILLE, TENN., June 9.—Although domiciliated in Tennessee for 30 years or more, the Franklin Life of Springfield, Ill., has just opened a general agency in the Cotton States Bldg., here with A. S. McCalmont as general agent for middle Tennessee. He is a young man and a graduate of Northwestern University. He entered insurance in Nashville about five years ago and reached the class of a million dollar producer last year.

C. H. Carpenter, Rudolph Dunbar

In the May 27 edition, it was erroneously stated that C. H. Carpenter has resigned as joint manager of the Los Angeles agency of the Canada Life and that Rudolph Dunbar is now manager. Mr. Dunbar is the one who has resigned as joint manager and Mr. Carpenter is now the branch manager. Mr. Dunbar is devoting his time to personal production.

T. Y. Smith, E. E. Plumley

A. Rushton Allen, manager of the Philadelphia agency of the Union Central, has opened a branch at Camden, N. J., with T. Y. Smith as manager and E. E. Plumley as supervisor. Mr. Smith has had wide experience in general insurance and has been active in politics in Camden. Mr. Plumley has



ability or age, Life Insurance enables the family to carry on.

NEW LOW ANNUAL RATES FOR \$1,000

Ages	Premium	Ages	Premium	Ages	Premium
10	10.67	26	15.10	41	24.25
11	10.85	27	15.50	42	25.17
12	11.05	28	15.92	43	26.17
13	11.25	29	16.37	44	27.22
14	11.46	30	16.84	45	28.33
15	11.69	31	17.35	46	29.51
16	11.93	32	17.89	47	30.80
17	12.17	33	18.46	48	32.16
18	12.44	34	19.06	49	33.60
19	12.71	35	19.70	50	35.15
20	13.00	36	20.36	51	36.84
21	13.31	37	21.04	52	38.57
22	13.63	38	21.78	53	40.41
23	13.98	39	22.55	54	42.38
24	14.34	40	23.37	55	44.47
25	14.71				

THE
WESTERN AND SOUTHERN
LIFE INSURANCE COMPANY

CHARLES F. WILLIAMS, *President*

Cincinnati

A Challenge to the times

FORTY years ago a visionary venture in the undeveloped West. Today an international organization with business in force over \$600,000,000. Such is the history of The Great-West Life.

No abnormal factors contributed to this growth—effect just followed cause.

The difficulties of today, as those of the past forty years, will be challenged by sound progressive management, attractive policies, and good service to agents and policyholders—and the same effects will follow.

THE **GREAT-WEST LIFE**
ASSURANCE COMPANY
HEAD OFFICE ... WINNIPEG
CANADA

been an agent for some time in Philadelphia and formerly was in the investment business.

R. G. Phipers

The United States Life has announced the appointment of P. G. Phipers as general agent and manager of its Cleveland office.

Life Agency Notes

J. A. Agerton has been made assistant manager at Savannah, Ga., by the Life of Virginia.

E. C. London has been appointed dis-

trict manager of the Southern Old Line Life for San Antonio, Tex., and vicinity. New managers appointed by the Western & Southern Life are: B. P. Diffily, Indianapolis; H. Behymer, Columbus, O.; H. Antrobus, Hamilton, O., and G. Weber, Rockford, Ill.

A new district office in the downtown section of Cincinnati has been opened by the Western & Southern Life, at 906 Main St., being in charge of Manager E. M. Guthardt.

J. A. Darby, Jr., and A. W. Spearman have formed a partnership under the firm name of Darby & Spearman, and are representing the Fidelity Mutual Life in Birmingham, Ala.

D. Conrad Little, newly appointed general agent at Richmond, Va., for the Connecticut Mutual Life, announces that the Norfolk branch office will be in charge of Cecil H. Lowenberg, formerly with the Provident Mutual there.

LIFE COMPANY CONVENTIONS

Texas Field Force Gathers

Jefferson Standard Agents Hold Two-Day Congress at Temple, Ending "Chile-Chicken" Contest

The Jefferson Standard's Texas agency force, 100 strong, gathered in Temple June 5-6, ending a contest in May in which the San Antonio agency, pitted against Dallas, in a close fight produced more business, and Ft. Worth nosed out Houston. It was a "chile and chicken" contest, losers being forced to indulge in the hot Mexican dish and winners enjoying chicken.

Thad Childre, southwestern supervisor, presided, and Ed Klingman chief underwriter at the home office was honor guest. Col. P. L. Downs, former vice-president and one of the organizers of the Southwestern Life of Dallas, who assisted in organizing the Great Southern, Republic and Texas Life of Tyler, Tex., welcomed the delegation. Col. Downs, who is 80, gave an inspiring talk on the stability of life insurance, advising investment in life insurance stocks and life insurance itself.

Agents Are on Program

At the business session agents gave talks. Among these were G. E. McKelvey, of Temple, "Visual Selling," H. R. Smith, Houston manager, and Lloyd Williams, agent, who presented the "Hill of Life" canvass from the Diamond Life Bulletins. Underwriter Klingman told of many problems confronting the underwriting department in selecting risks. W. C. Bryant, Ft. Worth, spoke on "Insurance Men I Have Seen Pass By," pointing out hazardous practices. Mr. Bryant has the highest premium average of any member of the entire Jefferson Standard's agency force, with about \$45 per \$1,000. He specializes in sale of retirement income.

McGehean Is a Speaker

Concluding the meeting, R. J. McGehean of THE NATIONAL UNDERWRITER, explained the use and value of the Diamond Life Bulletins. Members of the O. P. Schnabel agency, San Antonio, provided an entertainment program in the evening. Mr. Schnabel was leading producer during May among the managers. W. C. Porter of the San Antonio agency was leading producer among the agents. Robert McKay of the Bob White agency, Dallas was second, and F. G. Hargis of the Claude

Allen agency, Ft. Worth, was third. H. T. Childre, superintendent of southwestern agencies, announced that his territory, of which Texas is an important part, is about 30 percent ahead of 1931 production.

Acacia Mutual Roundup

A conference of branch managers of the Acacia Mutual Life was held in Washington for discussion of new prospecting conditions in view of the recent change in the company's charter authorizing it to write male risks from ages 18-65. Heretofore the Acacia Mutual has been restricted to writing Master Masons.

Among the speakers were President William Montgomery, Vice-President J. P. Yort, General Counsel Kacy, Director P. B. Cromelin, Branch Managers Rupert of Delaware, R. C. Suter of Baltimore, S. R. Bowman, Pacific Coast supervisor; S. J. Roberts, supervisor of Philadelphia; Secretary S. E. Mooers, Executive Secretary B. A. Harlan, T. M. Rolum, advertising manager, and A. R. Mead of the home office.

The conference concluded a two weeks' intensive production drive, the Philadelphia branch with production of one-half million ranking first; the home office branch second and Baltimore third. The total production was more than \$3,500,000.

Ohio State Life

The first month of the two-month campaign that the field force of the Ohio State Life is putting on in honor of President U. S. Brandt has closed with the Columbus agency, L. A. High, manager, in first place; the Law Brothers branch in Chicago, second; Toledo, third, and Pittsburgh, fourth. On Wednesday, June 8, President Brandt, Vice-President F. L. Barnes and other officers attended a meeting of the agency in Chicago. Other meetings which President Brandt will attend are: Portsmouth, O., and Ashland, Ky., June 10; Huntington and Charleston, W. Va., June 11.

Managers at Topeka

The National Reserve Life of Topeka held a meeting of over 100 managers and assistants at the home office last week. President George Godfrey Moore presided. Plans were completed for "Policyholders Month," a special campaign being conducted during June.

AS SEEN FROM NEW YORK

By R. B. MITCHELL

EFFECT OF BOND POOL

Whether the substantial advance in many bonds and stocks following news of the formation of the \$100,000,000 American Securities Investing Corporation by a group of bankers, headed by J. P. Morgan & Co., together with the decision of congress to balance the

budget, will influence the action of the valuations committee of the National Convention of Insurance Commissioners at the Chicago gathering June 22-24, remains to be seen. Should the upturn in market quotations which began so auspiciously last Friday continue in even modest degree, the state officials

It unquestionably take a hopeful view of the situation and be disposed to deal more liberally with the primary issue before them, than would be the case had the trend of quoted values continued as it had from some weeks previously.

GENDRON GOES TO NEW YORK

F. E. Gendron, manager in Philadelphia for one of the offices of the Continental American Life, has gone to New York to be associated with the Canada Life as a manager. He was formerly manager of one of the Travelers' offices in New York City and later was Rochester, N. Y., manager of Connecticut General, serving until 1928, when he became manager in Philadelphia for the Continental American.

AFFECTS THE AGENT'S MORALE

In general the practice is distinctly against advances to new men, although some very progressive general agents feel it is only fair to show good faith by guaranteeing the agent something for the first few weeks of his career, if only to prove that the agency is willing to invest something in the new man above the cost of his training. One troublesome feature of the drawing account system seems to be that when an

agent gets to owing money to the agency, the fact affects his morale. He starts worrying about it and he is likely to increase the debt rather than lighten it, and finds it impossible to repay in the end.

McKENZIE WITH CENTRAL HANOVER

F. P. McKenzie, formerly assistant trust officer of the City Bank Farmers Trust Company, has been elected assistant secretary of the Central Hanover Bank & Trust Company in New York City. He will be in charge of life insurance trust work and will work with Assistant Vice-President Harvey Weeks. Mr. McKenzie prior to his connection with the City Bank, was for three years executive manager of the New York City Life Underwriters Association.

MYRICK'S SALES PRESENTATIONS

The J. S. Myrick office of the Mutual Life of New York has prepared a series of sales presentations covering estate building, clean up fund, partnership insurance, corporation insurance, family income, educational insurance, insurance for children, retirement plans and charitable bequests. The presentations have been especially designed for full-time men.

AS SEEN FROM CHICAGO

MADDIGAN ASSISTANT MANAGER

Roy J. Maddigan has been appointed an assistant manager of the F. H. Haviland agency of the Connecticut General in Chicago. He is the third assistant manager in the agency, the others being F. E. Cripe and E. E. Enoch.

Mr. Maddigan joined the Connecticut General last October, after having been in the bond business as sales manager for the previous ten years. He graduated from the University of Chicago in 1907.

Mr. Haviland states that the production of his agency is 40 percent ahead of that of last year and that the \$5,000,000 quota of his agency for this year is being easily fulfilled.

U. S. LIFE NAMES GROVES

L. L. Groves has been appointed general agent in Chicago for the United States Life to succeed H. S. Foote, who resigned several months ago. Mr. Groves for a short time has been a supervisor in the M. J. Pankey agency of Chicago which represents the North American Life of Chicago and the Abraham Lincoln Life of Springfield, Ill. Before that for several months he was in the A. E. Patterson agency of the Penn Mutual in Chicago. For six years previously he was connected with the Federal Life of Chicago in charge of its newspaper division. He started in the business with the Great Northern Life of Chicago.

ZISCHKE AGENCY AHEAD

The Chicago agency of the Union Central under H. A. Zischke was one of the company's leaders in May, writing \$1,072,152 and paying for \$1,009,296. This is an increase of over \$250,000 applied for and of over \$500,000 paid for as against the same month last year. The Chicago agency has staged a remarkable come back under Mr. Zischke's management and now is one of the most aggressive in the field organization. The Chicago paid production in the first five months this year has increased more than \$700,000 over the same period last year.

WRIGHT'S 25TH ANNIVERSARY

Harry T. Wright, associate manager of the Berls agency of the Equitable of New York in Chicago, attained his 25th anniversary with the company Tuesday and the occasion was suitably celebrated by many of his associates and friends. Agency Manager H. F. Berls, Dr. A. L. Sherrill, assistant medical director, William Rothaermel, superintendent of

agencies, and the assistant managers in the Berls agency tendered Mr. Wright a dinner and day of golf at the Oak Park country club.

ROUND TABLE TO MEET

The Life Trust Round Table will meet June 17 at the Midland club, the program being a discussion of measures to continue cooperative activities. This will be the last meeting before summer adjournment.

HOWARD B. KELLY DIES

Howard B. Kelly, head of the group department in the central division of the Equitable Life of New York, died at the Oak Park, Ill., hospital following an operation. He was 60 years of age. Mr. Kelly had been associated with the Equitable for 24 years and had been head of the group department at Chicago for 10 years.

Mrs. Kelly has been a successful agent for the Equitable for some time. She and Mr. Kelly were married about a year ago and since that time she has been keeping in touch with life insurance by going to the office two or three times a week.

Mr. Kelly was buried at Goshen, Ind.

AETNA AGENCY'S OUTING

The annual golf tournament of the S. T. Whatley general agency of the Aetna Life in Chicago was held at the Mohawk country club.

NEWS OF LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values and all Charges in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual Digest," published annually in May at \$5.00 and the "Little Gem" published annually in March at \$2.00

Mutual Life of New York

The Mutual Life of New York has changed its retirement income contract so that it can now be written with annuity ten years certain instead of five, as formerly.

Berkshire Life

The Berkshire Life announces a reduction in dividend scale for the last half of 1932. President Fred H. Rhodes states that the action has been taken as a conservative measure in line with the action of many other companies, and is an additional factor of safety which is the fundamental principle of all life insurance companies. The surplus interest rate of 4.8 percent was maintained and the first year dividend continued.

TELL HIM THIS

Suppose a fire insurance policy combined savings to be accumulated at interest for payment at a deferred date, with coverage for a possible fire loss. The owner would not say, "My fire insurance costs me so much." He would name as his fire cost merely the fire part of the premium. And he would regard as an investment, that paid a healthy return, the investment portion of the premium. If the owner of a life policy were able to deduct the annual mortality charge from his premium, he could say, "My life insurance costs me only so much. And my investment earns for me as good a return as any highgrade investment commands."

Given this explanation, the objection some prospects raise, that they could do better by "investing" their money, would disappear in many cases, and sales would be easier made.

THE PENN MUTUAL LIFE INSURANCE CO.

WM. A. LAW, President

Independence Square

Philadelphia

PROGRESSIVENESS

SPECIAL FORMS TO MEET PRESENT DEMANDS

10-YEAR Modified Whole Life
20-YEAR Modified Whole Life

WHOLE LIFE SPECIAL
20 PAY LIFE SPECIAL
and others

A policy for Every Man,
Woman and Child
Ages 0-60

JOHN M. HULL,
President

FRANK F. EHLEN,
Director of Agencies

BUFFALO MUTUAL LIFE INSURANCE COMPANY

452 Delaware Avenue

Founded 1872

Buffalo, N. Y.

W. L. MOODY, JR.
President

W. L. MOODY, III
Vice-President

W. J. SHAW
Secretary

SHEARN MOODY
Vice-President

J. B. MILLS
Asst. Vice-President

AMERICAN NATIONAL INSURANCE COMPANY

HOME OFFICE:
GALVESTON, TEXAS

Insurance in Force \$542,054,101.00

Assets \$47,681,787.50

Surplus 7,278,118.59

ORDINARY—INDUSTRIAL

We Have Openings for Live Men in

California	Kansas	Minnesota	South Carolina	Virginia
Colorado	Kentucky	Missouri	Tennessee	West Virginia
Georgia	Michigan	North Carolina	Texas	Washington

Liberal First Year and Renewal Commissions
Up to Date Policies—Non Medical—Special Low Premium Plans

If Interested Address

AMERICAN NATIONAL INSURANCE CO.
GALVESTON, TEXAS

...and in Indianapolis stop at the



Hotel Lincoln

INDIANAPOLIS INDIANA



MANAGEMENT
R. L. MEYER

Experienced sales managers know that their men do better work when they stay at first-class hotels. It adds prestige, too! That is why they specify Hotel Lincoln in Indianapolis... Whether you are in Indianapolis for business or pleasure, The Lincoln offers you the best accommodations at very reasonable rates.

IN THE SOUTH AND SOUTHWEST

Objects to So Many Licenses

President Texas Life Underwriters Association Declares Numerous Appointments Lead to Demoralization

Matthew Brown of San Antonio, president Texas Association of Life Underwriters, addresses the agents in the state, saying that the Rio Grande Valley association has asked for suggestions concerning the appointment of agents to curb rebating and twisting. He finds that this association operates in three counties, Hidalgo, Cameron and Willacy. In the Rio Grande Valley are found 519 life agents representing 68 companies, the total population of the three counties is 165,000. There are 125 agents in Harlingen with 12,000 people, 95 in Brownsville with 22,000 and 63 in McAllen with 9,000 people. President Brown states that the population does not warrant the number of agents licensed. He feels therefore that many of these agents were appointed merely to get a commission on one case or a few cases.

No Part Timers

President Brown declares that in every large county where the principal cities are located life companies should make no contracts with casualty and fire agents. He also holds that in every county having 25,000 or 30,000 people there should be no part time contracts. Each contract, he said, should have a six months probation period so that in the event that an agent is not in the insurance business on a full time basis within six months his contract will be canceled.

New Group Formed to Secure Robertson Law Modification

AUSTIN, TEX., June 9.—The Association for the Modification of the Robertson Insurance Law, with principal office, in San Antonio, has been granted a charter. It is a statewide organization, composed of many of the leading capitalists, business and professional men of Texas, and has been formed for the purpose of securing an amendment to the Robertson insurance law at the next legislature.

The Robertson insurance law provides that foreign companies doing business in Texas must invest 75 percent of their premium reserve in a certain class of Texas securities. As a result many of the larger companies do not operate in Texas. The Robertson insurance law failed, it is held, because it did not bring increased investments, but drove from the state the companies that were able to make such investments.

Commission Is Appointed to Codify Virginia Laws

RICHMOND, June 9.—Governor Pollard has appointed S. L. Kelley of Richmond, R. R. Parker of Appalachia and Braden Vandeventer of Norfolk as members of the legislative commission which is to revise, simplify and codify the Virginia insurance laws. This completes the personnel of the commission. Other members are State Senators Montague of Richmond and Wright of Tappahannock, Representatives Hall of Loudoun, Lauterback of Page, Stanley of Page, and Commissioner George A. Bowles. The director of the state legislative bureau will be chairman ex-officio. Mr. Hall was author of the original resolution which resulted in the legislative probe of fire rates several years ago. Both he and Mr. Parker served on the commission appointed to inquire

into the rates. Mr. Vandeventer served as special counsel for the state in the rate proceedings subsequently held before the corporation commission.

President Attends Congress

President A. R. Rydgren of the Continental American Life and Secretary D. E. Jones attended a two-day sales congress of the Salisbury, Md., branch managed by H. W. Huston. President Rydgren talked on the company's position and Mr. Jones on "What Is Life Insurance?" W. A. Conway, director of field service, outlined a sales program. Planning, opening remarks, prospecting, needs and other topics were discussed. June was designated "Rydgren Month" by the agency, which set a quota of \$400,000.

Court Upholds Superintendent

MONTGOMERY, ALA., June 9.—Action of Superintendent Greer of Alabama in refusing to issue a license to the Brown Funeral Homes & Insurance Co. of Birmingham has been upheld by the Montgomery circuit court. The case has attracted considerable interest as involving the right of a burial concern without the usual capital required of an insurance company to write insurance providing for payment of death benefits in merchandise instead of money. The Brown company in asking for license contended it could furnish a casket valued at \$250 and other service at a cost of only \$75, and that therefore the reserve should be \$75 and not \$250. The court upheld Mr. Greer's ruling the reserve should be based on the \$250 called for in the policy. Mr. Greer also held improper the practice of issuing policies to persons ages 18 to 100 for the same premium rate.

Columbus Mutual Regional Meet

The first of eight regional meetings of agents of the Columbus Mutual Life in Texas was held in Fort Worth.

E. F. White, manager life department of Mitchell-Gartner and Walton, state agents, spoke on the opportunities of life underwriting. E. R. Kuck, Columbus, O., who recently completed a tour of the United States, detailed some of his experiences. E. C. Phelps, Fort Worth, leading producer, spoke on "Life Insurance, the Premier Investment of the Day."

Other meetings were scheduled for Dallas, Tyler, Beaumont, Houston, San Antonio, Waco and Amarillo.

News of Pacific Coast States

Over 250 Life Men Graduate

San Francisco-Oakland Training Sessions End—Gordon Thompson Presents Diplomas and Certificates

Over 250 life underwriters of San Francisco and Oakland received diplomas of graduation or certificates of attendance at the concluding session of the ten weeks' training course in life underwriting recently. Gordon Thompson, vice-president West Coast Life, presented 66 diplomas and the 187 certificates of attendance, following a brief address in which he paid tribute to the achievements of the successful students. Those receiving the certificates have 90 days in which to qualify with minimum production requirements after which they will receive diplomas of graduation. Other speakers included R. H. Mouser, Penn Mutual Life, and Norman

F. Clendening, Travelers manager at Oakland.

Interest in Managers' School

The school for managers to take up questions of particular interest to managers and agency executives now being conducted by the Life Insurance Sales Research Bureau at Eugene, Ore., is creating much interest. A number of general agents and executives from the north coast are present. C. B. Hensley, manager Equitable Life of Iowa at San Francisco, who won a convention trip for the annual agency meeting at Toronto, elected to attend the managers' school at Eugene instead. He is one of the younger managers of

the coast, having represented the Equitable Life of Iowa for the last three years. He is giving considerable attention to building up his organization.

Announce New U. S. C. Course

Verne Steward, lecturer on insurance of University College of the University of Southern California, has announced a special course of instruction in life insurance—law, wills and trusts, for the summer quarter beginning June 13. He will be assisted by Paul Zerrahn, manager trust advisory department California Trust Company, and E. L. Overholt, Los Angeles attorney and lecturer in business law at University College.

ACCIDENT AND HEALTH FIELD

Subscription Selling T a b o o

Commissioner Warner of Ohio Holds Combined Policy-Newspaper Cut Rate Plan Illegal

Commissioner Warner of Ohio has ruled that an insurance agent, who is also an employee of a newspaper, cannot sell insurance policies with subscriptions to the newspaper at a lower rate than the prescribed premium without violating the anti-rebate law. In the case in question the agent was in the employ of a Lorain, O., newspaper. In commenting on the situation, Mr. Warner said: "It is not so much a question of selling insurance, as selling subscriptions to newspapers. It appears that we have licensed people to sell newspaper contracts rather than bona fide insurance salesmen. It is not our purpose to do so. If the agent in soliciting insurance would offer to give a subscription to the newspaper, in addition to the policy at regular rate, same would be rebating and offering an inducement, and in violation of law; the primary object being to increase the newspaper business rather than the insurance which is incidental.

"The other way around then is to offer an inducement to become a subscriber by practically giving a policy of insurance with each subscription. Does this avoid the statute, or is it only a subterfuge to attain indirectly what cannot be done directly?

Sale of Insurance Objective

"Since the presumption obtains that the primary purpose of the agent is to sell insurance, we must assume that in the dual transaction the sale of the insurance policy is the objective on the part of the agent rather than obtaining a subscription to the paper.

"Since the agent is not permitted to offer anything of value as an inducement to purchase a policy of insurance, it would appear that to reduce the premium of the policy below that expressed in the instrument would violate the statute.

"In other words if it be illegal to give a newspaper subscription along with a policy, the objective being to sell insurance, then to offer the newspaper at a price that would supply the policy almost without cost or at a greatly reduced rate, would simply be doing indirectly what the law does not permit to be done directly.

"Our conclusion, therefore, is that an agent may not sell or offer to sell insurance at a rate less than that designated in the policy itself without violating said rebate section."

Life Conservation Meeting

A meeting of the Life Insurance Conservation Association was held at the home office of the Mutual Life of Canada at Waterloo. The subject of the meeting, "A Survey of Conservation Accomplishments, Plans and Possibilities," was introduced by President F. W. White, Canada Life.

Industrial Companies' Year

Most Offices Writing This Class Showed a Reduction in Premium Income in 1931

The stock companies writing industrial accident and health insurance showed reduction in premiums for 1931 as compared with 1930 amounting to an average of 10 percent. Of the 58 companies checked in the "Argus Casualty Chart" 51 showed a reduction in premium income and seven an increase. Increases in all cases were very small, not going above 5 percent for companies with any substantial volume of business. In some instances, very small companies made a gain of a few thousand dollars which made up a substantial portion of the 1930 volume.

Percentage reductions for most of the important companies range from 8 to 14 percent with occasional instances going as high as 30 percent or as low as 1 percent.

Most of the industrial accident and health companies write industrial life also. An examination of the list fails to indicate clearly that companies doing business in any particular section of the country suffered greater reductions than were general.

Group accident and health showed gains for companies specializing in this field. The Prudential had a gain of 13 percent in 1931 over 1930. The John Hancock Mutual Life gain was about 30 percent.

The total loss in premiums shown by the 51 companies for 1931 as compared with 1930 amounts to \$4,500,000. The seven companies showing gains had a gain of \$111,000.

A. & H. Week in California

SAN FRANCISCO, June 9.—Governor James Rolph, Jr., has proclaimed this accident and health insurance week in California, stressing the importance of such coverage for the protection of employer, employee and dependents. The governor's statement, inspired by the annual convention of the accident and health clubs in Chicago and meetings in California, says that insurance "has been an obligation of honor of every thoughtful head of a family or others with dependents."

California Joint Meeting Aug. 20

SAN FRANCISCO, June 9.—The California state association of Accident & Health Managers Clubs, comprising the San Francisco and Los Angeles clubs, will hold its annual convention here Aug. 20. The meeting begins the day after the close of the National Association of Life Underwriters convention as it is believed that some of the insurance men who will be here for the life meeting might desire to meet with the accident and health association.

Radio station KFBI, owned by the Farmers & Bankers Life of Wichita, is being moved to Abilene from Milford, Kan.

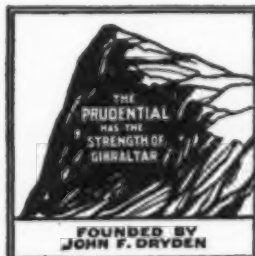
"C-O-N-S-E-R-V-A-T-I-O-N" Means

Preventing Lapses of life insurance protection.

It means far more than that.

It may mean the saving of dependent mothers and children from poverty and homelessness.

It is the *Conservation* of human beings.



The Prudential
Insurance Company of America

EDWARD D. DUFFIELD, President

Home Office - Newark, New Jersey

1871—1932



THE LIFE INSURANCE
COMPANY of VIRGINIA

Richmond

Bradford H. Walker
President



SOMETHING NEW THAT IS NEW IN LIFE INSURANCE

*A Dollar's worth for every Dollar paid
regardless of kind of policy purchased*

A \$1,000.00 Endowment Policy, any age at issue, guarantees \$1,961.54 plus Dividends in event policy becomes a claim the year it matures.

Our Twenty Payment most remarkable policy of all—too much to write about in this advertisement.

We have Ordinary with and without Cash accumulation. Without cash value it furnishes Pure Protection Life insurance at non-participating rates but on a participating basis—it is estimated dividends will amount to 50% within a few years, based on actual experience past five years.

Juvenile Policies—Ordinary, Twenty Payment and Endowment from birth, with all the fine features of our Adult Policies. Many other forms of Policies equally attractive.

Operating in Illinois, Michigan, Indiana and Missouri

INTERSTATE RESERVE LIFE INSURANCE COMPANY

Mutual Legal Reserve Life Insurance

Ten East Pearson Street : : : Chicago

AN UNUSUAL CONTRACT will be offered to AN UNUSUAL MAN

WHO {
—is a producer
—is, of course, honest
—has three years of experience
—needs no financing
—is seeking opportunity
—will WORK
—can organize
—needs no drawing account or salary
—needs no office expense

BUT WHO will accept Home Office help in the appointment of new Agents under him for whom he will not be responsible financially and yet on whom he will receive overwriting Commissions as high as \$4 per thousand and long time Renewals.

THE COMPANY—is rated "A" by Best. Its rates for Insurance are extremely low.

(Age 35 Ordinary Life
Net Cost First year
per thousand \$17.85)

It writes all latest forms—
Participating only—including
an improved Family In-
come form; also Juvenile.

Has over \$135,000,000 in
force.

TERRITORY—The Company
desires especially to de-
velop Indiana, Illinois,
North Carolina and Texas.

ASSISTANCE—Experienced
field men to help the man
selected to build a real
agency in which the Re-
newals are NON-FOR-
FEITABLE.

We want an UNUSUAL Man

UNLESS you have no present connection, or you have a real reason for leaving your present connection and are not at fault yourself, we are not interested. Write fully about yourself. We will not communicate with references until after interview. Write W-25, The National Underwriter.

Actuaries Elect Mead President

(CONTINUED FROM PAGE 1)

Life insurance shares in this inequality of burden, and companies have become tax collecting agencies, collecting from the policyholder only to pass it on to official tax collecting bodies.

It is said that to tax life insurance is to tax thrift. But it must be apparent, Mr. Little continued, that it is the thrifty ones who pay the most taxes. And yet there are 30 billions in savings and only 20 in life insurance. The average savings account is \$550. Postulating two policies for each policyholder, the average investment in life insurance is only about one-half the average savings account.

Taxes More Than Payroll

Replying to the criticism often heard that life companies pay a great deal for fine offices and high salaries to officers and employees, Mr. Little pointed out that taxes on life insurance business as such (not considering real estate, etc.) in the case of many companies, amount to more than the total spent on these things.

"Life insurance," Mr. Little asserted, "is carrying a greater burden of taxation than is justified, and there should be an equalization."

Sherman C. Kattell, Lincoln National Life, submitted the paper on "Non-Participating Premiums Considering Withdrawals," prepared by W. A. Jenkins of that company. F. D. Kineke, Prudential, outlined "Some Aspects of Modern Industrial Insurance." W. O. Menge, University of Michigan, presented a paper on the "Forces of Decrement in a Multiple Decrement Table"; and E. F. Estes, assistant actuary, Bankers Life of Nebraska, one dealing with "An Analysis of the General Summation Formula."

"One of the most vexatious of diverse contracts whose valuation is always vexatious is the active life disability benefit," Harry M. Sarason, Missouri State Life, said, commenting on the paper dealing with "Disability claims (select and ultimate) as a particular case in a general method of valuation for diverse contracts," which W. H. McBride, actuary National Life & Accident, Nashville, presented at the last meeting of the Institute.

Method of Valuing Benefits

"We are inaugurating," Mr. Sarason continued, "a method of valuing those benefits which will apply equally well to other benefits, such as double indemnity, and to the extra reserves for substandard insurance and for non-deduction of fractional premiums at death, where the number of contracts is large and the individual reserves are small. The method is to value a sample of the business each year and from that to approximate the reserve on the entire business."

Upon A. F. Schwartz's "Fundamentals of Life Insurance Law," President Little commented: "The actuary who is not aware of the implications and bearing upon life insurance of law is not properly equipped to fill his job."

There was no discussion on Ralph Keffer's "Monetary Value for Disability Benefits; 165 Percent Modification of the Class 3 Experience."

R. A. Hohaus, Metropolitan Life, was unanimously awarded the institute's prize of \$100 for his paper on "Group Annuities."

Seven fellows and 23 associates were elected to membership. Although the board of governors, according to President Little, voted not to make it compulsory for those being admitted to the institute as fellows to write a paper, or thesis, he stressed that it is morally incumbent upon them to do so.

Order "Business Life Insurance Trusts," by C. A. Scully and F. W. Danse just off the press, from The National Underwriter. \$2.50.

"Any Man Could Do It --if He Would"

"If I know my business, it is because I have done without movies and theatres . . . and the things to which men are entitled, and instead have burned a lot of midnight oil finding out what this matter of estate planning is all about. Any man could do the same, if he would." Thus simply a **three-million dollar** writer of 1929 sums up his success as a life insurance salesman.

COMMONWEALTH CORDIAL CO-OPERATION

Commonwealth Cordial Cooperation includes as a chief essential the belief that every agent must "know his business." Educational conferences and conventions—access to a full and complete library—carefully prepared sales literature—are a few of the methods means through which Commonwealth agents learn the fine points of their profession. The sponsors of "cordial cooperation" have in mind the equipping of every agent to become a real insurance counselor. Do you want to be one?

**COMMONWEALTH
LIFE INSURANCE CO.
LOUISVILLE, KY.**

NEWS OF LIFE ASSOCIATIONS

Hold Congress at Newark

Northern New Jersey Association's Program Ready for Event June 17—
Annual Meeting Monday

The annual meeting of the Life Underwriters Association of Northern New Jersey will be held June 13 at Bamberger's restaurant, Newark. The following members of the executive committee will be voted upon: C. E. Hooper, supervisor, Newark office Massachusetts Mutual; L. G. Rude, agent Mutual Benefit; A. W. Olson, agent Massachusetts Mutual; John Binns, agent Northwestern Mutual; C. J. Zimmerman, general agent Connecticut Mutual; Seward Scharff, agent Travelers; A. F. Gillis, general agent Provident Mutual; H. C. Lawrence, general agent Lincoln National, and W. H. Kee, agent Mutual of New York. From the executive committee will be selected officers for the year.

Previous to the election there will be a luncheon followed by a talk by John Ellis, manager new business department, Fidelity Union Trust Co., Newark, on "Estate Approach." Announcement will also be made by President E. D. Finch of the program for the one-day sales congress which will be held June 17 in the auditorium of the Mutual Benefit, Newark, under auspices of the association.

* * *

Morrell Des Moines Speaker

M. L. Seltzer, Aetna Life, Elected President of Life Underwriters Association at Annual Meeting

DES MOINES, June 9.—At the annual meeting of the Des Moines Association of Life Underwriters, John Morrell, associate agency manager and star personal producer of the Equitable of New York in Chicago, spoke on "Hedging Against Life's Uncertainties." He told how life insurance can prevent dissipation of an estate, taking into consideration inheritance taxes and the perils of estate liquidation.

The meeting bade farewell to J. H. Leaver, Missouri State Life, who leaves to become vice-president of the Provident Life & Accident. Mr. Leaver introduced his successor, R. R. Anderson.

Jack Hughes, Northwestern Mutual, chairman of the grievance committee, reported on a conference held with the superintendent of schools, concerning the large number of teachers in local schools who are selling insurance on a part-time basis. He said Superintendent Studebaker will ask the cooperation of the school board in ruling against teachers selling insurance during the school year.

M. L. Seltzer, general agent Aetna Life, was elected president; Jack Hilmes, first vice-president; L. P. Hickey, second vice-president; Raymond W. Hanson, secretary-treasurer; Manning Martin, chairman of the board. E. R. Gray, retiring president, was named national committeeman. Mr. Gray reported membership of the association has increased to 161.

Commissioner King Recovering

Insurance Commissioner Sam B. King of South Carolina, who was recently operated on at the Columbia, S. C., hospital, has now sufficiently recovered to go to his home in that city to recuperate.

R. R. Birch, veteran Detroit superintendent of the Western & Southern Life, died after several months illness.

Slated in Chicago



JOHN R. HASTIE
Associate Manager Mutual Life, N. Y.

John R. Hastie, associate manager, Samuel Heifitz agency of the Mutual Life of New York in Chicago, was nominated for president of the Chicago Association of Life Underwriters and there is little question but that he will be elected at the annual meeting, June 23. The remainder of the slate prepared by the nominating committee is: First vice-president, R. L. Davis, Union Central; second vice-president, P. G. Dallwig, New England Mutual, and treasurer, T. F. Lawrence, Reliance Life. For directors for two year term—Frederick Bruchholz, New York Life; N. H. Bokum, Massachusetts Mutual; W. N. Hiller, Penn Mutual; E. J. Smith, Provident Mutual; C. E. Clinton, Aetna, and W. W. Grosser, Guardian of New York. Directors holding over are F. D. Cummings, P. B. Hobbs, W. M. Liscom, T. G. Murrell, E. B. Thurman and C. E. Smith.

Mr. Hastie is a "millionaire" who has gained a considerable reputation before life insurance audiences as a man unusually well informed on business insurance, with particular reference to the possibilities to be found in analyzing financial statements. A. E. Patterson, the retiring president, will preside at the June meeting.

The paid membership now is 875, Walt Tower, managing director, reports. This is higher than ever before in the association's history.

* * *

Kansas City, Mo.—E. G. Mura, associate general agent Massachusetts Life, was elected president of the Kansas City association at the annual meeting at Excelsior Springs, Mo. Mr. Mura has been acting president for several months, since J. H. Mickey went to Omaha as general agent of the Equitable of Iowa for Nebraska.

Wiley Pendleton, general agent Lincoln National, was elected vice-president; Willard Ewing, general agent Provident Mutual, first vice-president; J. Trotter, manager Mutual of New York, second vice-president, and V. W. Wiedemann, manager for the Sun Life, secretary-treasurer.

* * *

Mississippi—Ted M. Simmons of New Orleans, manager United States Agencies Pan-American Life, addressed the Mississippi association Monday in Jackson.

* * *

Arkansas—The Arkansas association will hold a sales conference June 11 at Little Rock, the call having been issued by George Brannon, president. Speakers will include Ted M. Simmons, Pan-American Life, New Orleans; Gordon H. Campbell and Joe S. Maryman, Aetna Life; V. T. Motschenbacher, Sun Life; Allen Gates, Penn Mutual Life; J. J. Har-

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risson, Union Central Life; J. T. Thompson, Mutual Life; Charles Evans, formerly of the Home Life of Arkansas, and H. H. Conley, district supervisor New York Life.

Atlanta—At the Atlanta association's meeting June 11 Robert Strickland, Jr., executive vice-president Trust Company of Georgia, will speak on "Some Important Questions of the Day."

Cedar Rapids, Ia.—The part life insurance has played in maintaining business confidence and its value as a stabilizing influence were presented to the Cedar Rapids association by E. McConney, Des Moines, chief actuary Bankers Life. About 120 were present from 20 counties in the territory supervised by the F. W. Darling Bankers Life agency.

Oklahoma—At the final meeting for the season of the Oklahoma association, June 11, Lester O. Shriver, secretary National association, will speak. Officers for next year will be elected.

Tulsa, Okla.—Roscoe E. Seever, of Landes, Seever & Thornton, regional agents for the Travelers, was elected president of the Tulsa association at its annual meeting. Mr. Seever is also vice-president of the Tulsa Fire & Casualty Association.

Other officers are: J. K. Taylor, Equitable Life of New York, vice-president; John Denning, Prudential, secretary-treasurer; H. D. Emmert, Northwestern

Mutual Life, national committeeman. Directors are W. L. Ditzler and C. E. Hadley, Penn Mutual; R. A. Hittson, Massachusetts Mutual; Harry Luckhardt, Equitable Life of Iowa; F. G. Shurtleff, Bankers Life of Iowa; L. D. Stark, American Life of Detroit.

Wichita, Kan.—The Wichita association discussed "The Backbone of the Insurance Business," at its semi-monthly meeting with R. G. Cunningham, Metropolitan manager, presiding. Importance of industrial insurance was stressed by the speakers, who included G. L. Mosher and Harmon Harrison, assistant superintendents Prudential, and R. W. Pinkston, manager National Life & Accident. The annual picnic and golf tournament will be held July 15.

Philadelphia—The Philadelphia association was addressed by H. J. Johnson of Pittsburgh, manager Penn Mutual Life, and Irvin Bendiner of Philadelphia, who spoke on "The Life Insurance Salesman Today." This was the annual meeting for the election of officers.

Lincoln, Neb.—After approving a draft of articles of incorporation the Lincoln association referred the matter to an attorney and committee for a final revision. Some opposition developed to granting memberships to officers of regular legal reserve companies, but it was decided to follow the National association in this classification.

The association voted to continue in

office for the remainder of the calendar year the present officers: President, H. L. Reed; vice-president, F. E. Mockett; secretary-treasurer, O. R. Frey; executive committee, L. M. Palmer, C. B. Dobbs and R. H. Edmiston.

Northern New Jersey—Plans are under way for a one-day sales congress in Newark June 17 under the auspices of the Northern New Jersey association. A dinner will be held in the evening.

San Francisco—With an increase in paid membership of approximately 75 percent over the figures for the first five months of 1931, the San Francisco association under the direction of President Ben F. Shapero is planning an intensive membership campaign this month and outstanding gains in membership will undoubtedly be reported prior to the opening of the national convention in August.

Baltimore—Dr. S. S. Huebner, dean American College of Life Underwriters, will address the Baltimore association Saturday on "How the Life Underwriter of Today Can Demonstrate in the Field the Safety of Life Insurance."

Following the meeting Dr. Huebner will give an informal talk on the C. L. U. movement and explain its benefits.

The American Medical Life of Spokane, Wash., has been licensed in Kentucky.

Unique Manual Digest a Veritable Cyclopedia

The new 1932 Unique Manual Digest published by THE NATIONAL UNDERWRITER contains much valuable information. It analyzes and summarizes the financial position, policy contracts, rate books, dividend books of all life companies. It has several hundred pages of tables and other general information. It contains as complete information as possible on 318 legal reserve companies.

There are five distinct sections of the book. The first covers the annual financial exhibit, giving 57 different items. The second section gives analysis of policies, rates, surrender values, dividends, net costs, special policy forms, etc.

Part three covers annuity rates, life annuities, refund annuities, cash refund annuities for some 63 companies writing this business.

Standard Tables Given

Part four gives the reserve on the standard tables now in use by the companies and in addition many other valuable tables showing, for example, the amount of paid up life insurance \$1 will purchase and the net single premium for \$10 of paid up insurance, etc.

The final section contains general information as to companies, giving officers, plan of operation, participation of policies, practices not shown in policies, business in force under different plans and other items of general interest.

There is one page explaining the various reserve bases. One table shows the rate of interest allowed on proceeds of policies left with companies. The Digest gives a list of companies that have retired since 1909, telling what became of them. It is a veritable encyclopedia of life insurance information containing thousands of pertinent facts that can be easily found within its covers.

Carrol Maintains \$78,000 Monthly Production Rate

It can still be done! Life insurance agents who spend the bulk of their time discussing economic conditions rather than improving them should be interested in the fact that C. P. Carrol of the Kansas City Life has issued and paid for a total of \$2,979,184, with a premium collection of \$727,650.37, during the past 38 months. Four hundred eighty cases were involved.

For three months of 1929, Mr. Carrol was in Europe so that he missed a good deal of the easy business obtainable under the peculiar conditions of that year. Mr. Carrol's production in 1930 was \$780,200; in 1931, \$1,108,783, and for the first five months of 1932, \$304,301, giving an average monthly production over \$78,000.

Auditor Jones Dies

After an illness of many months, W. H. Jones, auditor of the Equitable Life of New York, died Friday in his 65th year. While Mr. Jones was a native of Bermuda and a direct descendant of one of the governor generals of the island, he has lived in New York City since 1892. For over 37 years Mr. Jones had been identified with the Equitable. He entered the auditor's department of the Home Office in 1895, was made assistant auditor in 1920 and auditor in 1923. The interment was in the family plot in Paget, Bermuda.

Boone Visits Culver

Daniel Boone, Jr., president of the Midland Life of Kansas City, Mo., while attending the meeting of the medical section of the American Life Convention at West Baden, Ind., arranged also to be on hand at Culver, Ind., to take part in the 38th commencement exercises of Culver military academy, Mr. Boone's alma mater.

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Examiner's Job Is Difficult—Laird

(CONTINUED FROM PAGE 8)

the case of a prominent executive who secured \$500,000 insurance in 1923 and recently applied for an additional \$500,000. Although he passed a satisfactory physical examination and was recommended as first class by two examiners, on the basis of the finds of an electrocardiogram, all companies have now declined to consider the case.

One of the most baffling problems today is suicide, according to Mr. Laird. Underwriters are rejecting applicants with a tendency toward business or domestic trouble. However, conditions change overnight and the man who is apparently successful and happy today may be insolvent and despondent tomorrow, he said.

Physical, Mental Weakness

Medical directors are watching for any trace of physical or mental weakness in the individual or his family history which might be interpreted as a forerunner of suicide.

Dr. James B. Young, medical director of the Indianapolis Life, read an illuminating paper on cancer and concluded with a consideration of underwriting of cases in which there was a history of cancer. As to major essentials, Dr. Young said that history of primary epithelioma of the skin or superficial structure is considered most favorably, while cancer of the bones and internal organs less favorable, recurrent malignancy least favorably of all.

Dr. Young quoted statistics furnished by "one of the largest American companies," showing that from 1911 to 1930 the deaths from cancer just about doubled in insured lives. In 1911, the cancer percent of ordinary deaths for males was 5.14 percent and for females 9.5 percent; in 1930 for males it was 10.36 percent and for females 16.16 percent.

Female Selection Adverse

The general death rate from cancer on uninsured lives is greater in males and the fact that in these insured lives the mortality was greater in females might indicate selection against the company on the part of female applicants, he said.

Practically all underwriters, he declared, give consideration to such factors as the skill and reputation of the operator and the plan of treatment pursued in the individual case. The great majority do not accept applicants giving a history of recurring malignancy on any plan. Some companies five to ten years after recovery would consider cases with heavy ratings or liens.

Since many non-malignant growths have been mistakenly diagnosed as cancer and vice versa, time will necessarily remain the chief arbiter, he declared. The plan of waiting three years or more in epithelioma and a minimum of five years in the other varieties of malignancy, appears at this time to be correct.

Dr. C. N. McCloud's Paper

Dr. C. N. McCloud, second vice-president and medical director of the Minnesota Mutual Life, delivered an exhaustive paper on "Arterial Hypertension Stressing Diastolic Pressure." Among his conclusions were that the importance of diastolic blood pressure is seemingly not sufficiently emphasized or its significance appreciated by the profession at large; that many cases of so-called heart deaths can be attributed to arteriolar sclerosis and are responsible to a large degree for the high mortality in the fourth and fifth decades of life. Insurance statistics in recent years show a decided rise in mortality at the ages of 40 to 50 from heart deaths. Persistent diastolic blood pressure of over 90mm.hg., at ages under 40, or 96mm.hg., at ages over 45, will show a higher mortality than normal.

Border line blood pressure for the record of previous hypertension or history of some recognized circulatory im-

pairment must be carefully scrutinized in applicants past 40 years of age.

Dr. John's Paper Was Notable One

(CONTINUED FROM PAGE 7)

the sophisticated insurance applicant tries to defeat the test and suggested various ways to circumvent such attempts; by Dr. L. L. Smith of the Commonwealth of Louisville who referred to the value of Dr. John's paper and suggested that insurance experience might be made extremely valuable to the public at large. He said that the glucose test is of the greatest value in the earlier cases as in the early stages everything and in the later stages little or nothing can be done. Informal discussion by a number of members followed the set discussion and Dr. Johns wound up the session by answering all the question propounded. His paper was regarded by all as a contribution to insurance medical practice of permanent value and he was roundly applauded and given a rising vote of thanks.

On Tuesday evening the annual banquet was held.

The executive committee of the American Life Convention is in session in connection with the meeting of the medical section. Only routine matters are being handled at this meeting, though there is much informal discussion of general conditions.

Deluge of Jumbo Claims This Year

(CONTINUED FROM PAGE 1)

Although increases in the death rate from heart disease and suicide are not confined to insurance recently issued, applicant selection, he declared, has had a most important effect on the mortality among the large cases.

Mr. Howell said it is his impression that applicant selection is severe in cases substandard for physical reasons applying for large amounts between ages 50 and 60.

There is a higher mortality percentage on the business submitted by brokers than on the agent's business, according to Prudential's experience, he said. That may be due, in part, to the fact that the average age of the broker's business is older than that of the agent and a larger share of the jumbo risks are written by brokers.

The average policy is \$8,300 for brokers and \$4,800 for agents, he said. Mortality on recent issues is running 135 percent for brokers as compared with 81 percent for ordinary agents by amount and 105 percent and 86 percent, respectively, by number.

Offsetting Consideration

Brokerage business, he pointed out, has been considered desirable because it can be secured more cheaply so far as acquisition expenses are concerned. He declared, however, that consideration should be given to the possibility that any saving in acquisition cost and in the larger unit policy that will thereby be secured, may be more than offset by the mortality element.

There should be a merciless downward revision of the present limits of acceptance and retention, according to Mr. Howell. The Prudential is at present contemplating such a step, he declared.

Mr. Howell said that two years ago he believed that companies might have gone too far in the rigidity of their standards, but now, based on the experience of 1932, he stated he was wrong in that opinion and that severity must be continued.

The guide as to amount of personal insurance allowed is the amount which can be purchased on the whole life plan with not over 20 percent of the income, he said. For bona fide business insurance, he declared, some have been allowing, in addition, an amount up to

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To Address National Association Meeting



HORACE MECKLEM

Horace Mecklem, general agent for the New England Mutual Life at Portland, Ore., who will address the National Association of Life Underwriters in session at San Francisco, has been in the life insurance business since the age of 14. He started with the New York agency of the Phoenix Mutual and remained for nine years, advancing to the position of cashier. He went west in 1905 as an agent and for 27 years carried a rate book, selling an aggregate amount of more than \$15,000,000. He has been general agent for the New England Mutual for about two years. He served six years on the Portland school board, part of the time as chairman. He is now a candidate for the Oregon senate.

"Breaking Down Sales Resistance," will be Mr. Mecklem's topic at the San Francisco meeting. He will discuss what the agent should do to make contacts and what to say when the contacts have been made.

five times the annual salary. "My own experience," he said, "has indicated that any attempt to distinguish between business and personal insurance is usually unsatisfactory, and I suggest that we abandon the distinction and bring all insurance on the life under the personal insurance limitation."

There should be even more complete and accurate medical information on the large cases, he declared. He said he has great faith in the value of the electrocardiographic tracings. The more extended use of this instrument, he declared, with x-ray of the chest and other special tests provided for by the companies generally since the beginning of this year, he predicted will have an important effect in improving the mortality.

All companies, he declared, should secure completely independent and unhampered work by the medical examiner. Dishonesty is not to be presumed in order to condemn the practice by which the agent or agency in some companies determines the examiner to be used in the individual case, he declared. A certain amount of independence is lost and the value of the examination lessened when the continued use of the examiner depends on the will of the agent. Suppression by the examiner of what may appear to be an extremely minor circumstance, may, he said, put the home office at a great disadvantage with respect to its selection. When medical appointments are made independently of the agency forces and medical examinations are forwarded direct to the home office by the examiner rather than to the agency, he predicted that the maximum value from the medical examination will be obtained.

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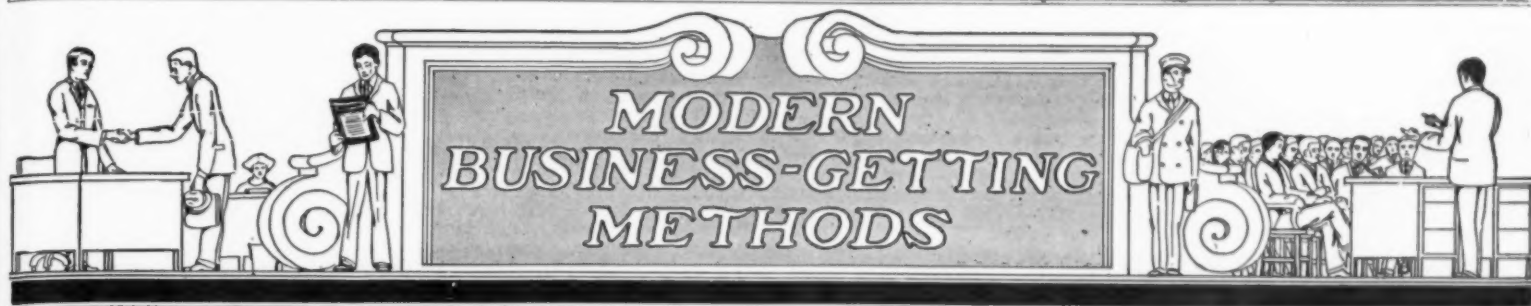
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New Federal Inheritance Tax Law Offers Underwriters Opportunity to Provide for Estate Shrinkage

By MARC A. LAW
Chicago General Agent, National Life of Vermont

The new federal revenue law has many points of interest for the life insurance man. Perhaps the most important one is the increase in the inheritance tax rates. The new law imposes a tax on net estate, starting with a rate of 1 percent and graduating upward to a rate of 45 percent. The specific exemption in the old law of \$100,000 in reduced to \$50,000. The new rates are more than double the old ones and the excess over the 1928 rates is not subject to any credit for inheritance taxes paid to the various states. This is a very important point. Under the old law a credit of 80 percent maximum was allowed for inheritance taxes paid to the various states. For instance, in Illinois the federal estate tax on a million dollar net estate was \$48,500. Due to the large Illinois inheritance tax, the full 80 percent credit could be taken, reducing the actual federal estate tax to \$9,700. Under the new law, on an estate of this size, the additional federal tax will be \$77,500, or a total tax to pay, above the deduction, of \$87,200. The state inheritance rates, of course, vary, but for a resident of Illinois, the situation on a million dollar net estate will be about as follows:

Federal estate tax.....	\$ 87,200
Illinois inheritance tax, if estate is left to one beneficiary who is a lineal relative.....	106,000
Total	\$193,200

As practically every decedent owes income tax for one year, this item, which is tremendously increased under the new law, must be added to the charges against the estate. There must also be added the other estate expenses such as executors and attorney's fees. These will usually run from 3 to 5 percent.

This situation offers tremendous opportunities for the sale of life insurance. It is well recognized that there is no method as well adapted for the prevention of this estate shrinkage as

the carrying of sufficient life insurance to pay the various charges against the estate. The event that creates the tax, no matter when it occurs, immediately creates a fund to pay the charges. There is then no necessity to sacrifice assets of the estate to raise cash for this purpose.

The new gift tax, which heavily penalizes transfers of property during lifetime, will tend to prevent wealthy men making such transfers. They will see that the best way to meet the difficulties of the situation is life insurance.

The taxability of life insurance is not affected by the new law. This situation remains the same. As long as the insured retains no incidents of ownership life insurance is not taxable under the federal estate tax.

The new rates are as follows:

Upon net estates not in excess of \$10,000, 1 percent.	
\$100 upon net estates of \$10,000; and upon net estates in excess of \$10,000 and not in excess of \$20,000, 2 percent in addition of such excess.	
\$300 upon net estates of \$20,000 and upon net estates in excess of \$20,000 and not in excess of \$30,000, 3 percent in addition of such excess.	
\$600 upon net estates of \$30,000 and upon net estates in excess of \$30,000 and not in excess of \$40,000, 4 percent in addition of such excess.	
\$1,500 upon net estates of \$40,000; and upon net estates in excess of \$40,000 and not in excess of \$50,000, 5 percent in addition of such excess.	
\$5,000 upon net estates of \$50,000; and upon net estates in excess of \$50,000 and not in excess of \$100,000, 7 percent in addition of such excess.	
\$14,000 upon net estates of \$100,000; and upon net estates in excess of \$100,000 and not in excess of \$200,000, 9 percent in addition of such excess.	
\$36,000 upon net estates of \$200,000; and upon net estates in excess of \$200,000 and not in excess of \$400,000, 11 percent in addition of such excess.	
\$62,000 upon net estates of \$400,000; and upon net estates in excess of \$400,000 and not in excess of \$600,000, 13 percent in addition of such excess.	
\$126,000 upon net estates of \$600,000; and upon net estates in excess of \$600,000 and not in excess of \$800,000, 15 percent in addition of such excess.	
\$221,000 upon net estates of \$800,000; and upon net estates in excess of \$800,000 and not in excess of \$1,000,000, 17 percent in addition of such excess.	
\$326,000 upon net estates of \$1,000,000; and upon net estates in excess of \$1,000,000 and not in excess of \$1,500,000, 19 percent in addition of such excess.	
\$441,000 upon net estates of \$1,500,000; and upon net estates in excess of \$1,500,000 and not in excess of \$2,000,000, 21 percent in addition of such excess.	
\$566,000 upon net estates of \$2,000,000; and upon net estates in excess of \$2,000,000 and not in excess of \$2,500,000, 23 percent in addition of such excess.	
\$701,000 upon net estates of \$2,500,000; and upon net estates in excess of \$2,500,000 and not in excess of \$3,000,000, 25 percent in addition of such excess.	
\$846,000 upon net estates of \$3,000,000; and upon net estates in excess of \$3,000,000 and not in excess of \$3,500,000, 27 percent in addition of such excess.	
\$1,001,000 upon net estates of \$3,500,000; and upon net estates in excess of \$3,500,000 and not in excess of \$4,000,000, 29 percent in addition of such excess.	
\$1,166,000 upon net estates of \$4,000,000; and upon net estates in excess of \$4,000,000 and not in excess of \$4,500,000, 31 percent in addition of such excess.	
\$1,331,000 upon net estates of \$4,500,000; and upon net estates in excess of \$4,500,000 and not in excess of \$5,000,000, 33 percent in addition of such excess.	
\$1,500,000 upon net estates of \$5,000,000; and upon net estates in excess of \$5,000,000 and not in excess of \$5,500,000, 35 percent in addition of such excess.	
\$1,666,000 upon net estates of \$5,500,000; and upon net estates in excess of \$5,500,000 and not in excess of \$6,000,000, 37 percent in addition of such excess.	
\$1,833,000 upon net estates of \$6,000,000; and upon net estates in excess of \$6,000,000 and not in excess of \$6,500,000, 39 percent in addition of such excess.	
\$2,000,000 upon net estates of \$6,500,000; and upon net estates in excess of \$6,500,000 and not in excess of \$7,000,000, 41 percent in addition of such excess.	
\$2,166,000 upon net estates of \$7,000,000; and upon net estates in excess of \$7,000,000 and not in excess of \$7,500,000, 43 percent in addition of such excess.	
\$2,333,000 upon net estates of \$7,500,000; and upon net estates in excess of \$7,500,000 and not in excess of \$8,000,000, 45 percent in addition of such excess.	
\$2,500,000 upon net estates of \$8,000,000; and upon net estates in excess of \$8,000,000 and not in excess of \$8,500,000, 47 percent in addition of such excess.	
\$2,666,000 upon net estates of \$8,500,000; and upon net estates in excess of \$8,500,000 and not in excess of \$9,000,000, 49 percent in addition of such excess.	
\$2,833,000 upon net estates of \$9,000,000; and upon net estates in excess of \$9,000,000 and not in excess of \$9,500,000, 51 percent in addition of such excess.	
\$3,000,000 upon net estates of \$9,500,000; and upon net estates in excess of \$9,500,000 and not in excess of \$10,000,000, 53 percent in addition of such excess.	
\$3,166,000 upon net estates of \$10,000,000; and upon net estates in excess of \$10,000,000 and not in excess of \$10,500,000, 55 percent in addition of such excess.	
\$3,333,000 upon net estates of \$10,500,000; and upon net estates in excess of \$10,500,000 and not in excess of \$11,000,000, 57 percent in addition of such excess.	
\$3,500,000 upon net estates of \$11,000,000; and upon net estates in excess of \$11,000,000 and not in excess of \$11,500,000, 59 percent in addition of such excess.	
\$3,666,000 upon net estates of \$11,500,000; and upon net estates in excess of \$11,500,000 and not in excess of \$12,000,000, 61 percent in addition of such excess.	
\$3,833,000 upon net estates of \$12,000,000; and upon net estates in excess of \$12,000,000 and not in excess of \$12,500,000, 63 percent in addition of such excess.	
\$4,000,000 upon net estates of \$12,500,000; and upon net estates in excess of \$12,500,000 and not in excess of \$13,000,000, 65 percent in addition of such excess.	
\$4,166,000 upon net estates of \$13,000,000; and upon net estates in excess of \$13,000,000 and not in excess of \$13,500,000, 67 percent in addition of such excess.	
\$4,333,000 upon net estates of \$13,500,000; and upon net estates in excess of \$13,500,000 and not in excess of \$14,000,000, 69 percent in addition of such excess.	
\$4,500,000 upon net estates of \$14,000,000; and upon net estates in excess of \$14,000,000 and not in excess of \$14,500,000, 71 percent in addition of such excess.	
\$4,666,000 upon net estates of \$14,500,000; and upon net estates in excess of \$14,500,000 and not in excess of \$15,000,000, 73 percent in addition of such excess.	
\$4,833,000 upon net estates of \$15,000,000; and upon net estates in excess of \$15,000,000 and not in excess of \$15,500,000, 75 percent in addition of such excess.	
\$5,000,000 upon net estates of \$15,500,000; and upon net estates in excess of \$15,500,000 and not in excess of \$16,000,000, 77 percent in addition of such excess.	
\$5,166,000 upon net estates of \$16,000,000; and upon net estates in excess of \$16,000,000 and not in excess of \$16,500,000, 79 percent in addition of such excess.	
\$5,333,000 upon net estates of \$16,500,000; and upon net estates in excess of \$16,500,000 and not in excess of \$17,000,000, 81 percent in addition of such excess.	
\$5,500,000 upon net estates of \$17,000,000; and upon net estates in excess of \$17,000,000 and not in excess of \$17,500,000, 83 percent in addition of such excess.	
\$5,666,000 upon net estates of \$17,500,000; and upon net estates in excess of \$17,500,000 and not in excess of \$18,000,000, 85 percent in addition of such excess.	
\$5,833,000 upon net estates of \$18,000,000; and upon net estates in excess of \$18,000,000 and not in excess of \$18,500,000, 87 percent in addition of such excess.	
\$6,000,000 upon net estates of \$18,500,000; and upon net estates in excess of \$18,500,000 and not in excess of \$19,000,000, 89 percent in addition of such excess.	
\$6,166,000 upon net estates of \$19,000,000; and upon net estates in excess of \$19,000,000 and not in excess of \$19,500,000, 91 percent in addition of such excess.	
\$6,333,000 upon net estates of \$19,500,000; and upon net estates in excess of \$19,500,000 and not in excess of \$20,000,000, 93 percent in addition of such excess.	
\$6,500,000 upon net estates of \$20,000,000; and upon net estates in excess of \$20,000,000 and not in excess of \$20,500,000, 95 percent in addition of such excess.	
\$6,666,000 upon net estates of \$20,500,000; and upon net estates in excess of \$20,500,000 and not in excess of \$21,000,000, 97 percent in addition of such excess.	
\$6,833,000 upon net estates of \$21,000,000; and upon net estates in excess of \$21,000,000 and not in excess of \$21,500,000, 99 percent in addition of such excess.	
\$7,000,000 upon net estates of \$21,500,000; and upon net estates in excess of \$21,500,000 and not in excess of \$22,000,000, 100 percent in addition of such excess.	

and not in excess of \$800,000, 15 percent in addition of such excess.

\$92,000 upon net estates of \$800,000; and upon net estates in excess of \$800,000 and not in excess of \$1,000,000, 17 percent in addition of such excess.

\$126,000 upon net estates of \$1,000,000; and upon net estates in excess of \$1,000,000 and not in excess of \$1,500,000, 19 percent in addition of such excess.

\$221,000 upon net estates of \$1,500,000; and upon net estates in excess of \$1,500,000 and not in excess of \$2,000,000, 21 percent in addition of such excess.

\$326,000 upon net estates of \$2,000,000; and upon net estates in excess of \$2,000,000 and not in excess of \$2,500,000, 23 percent in addition of such excess.

\$441,000 upon net estates of \$2,500,000; and upon net estates in excess of \$2,500,000 and not in excess of \$3,000,000, 25 percent in addition of such excess.

\$566,000 upon net estates of \$3,000,000; and upon net estates in excess of \$3,000,000 and not in excess of \$3,500,000, 27 percent in addition of such excess.

\$701,000 upon net estates of \$3,500,000; and upon net estates in excess of \$3,500,000 and not in excess of \$4,000,000, 29 percent in addition of such excess.

\$846,000 upon net estates of \$4,000,000; and upon net estates in excess of \$4,000,000 and not in excess of \$4,500,000, 31 percent in addition of such excess.

\$1,001,000 upon net estates of \$4,500,000; and upon net estates in excess of \$4,500,000 and not in excess of \$5,000,000, 33 percent in addition of such excess.

\$1,166,000 upon net estates of \$5,000,000; and upon net estates in excess of \$5,000,000 and not in excess of \$5,500,000, 35 percent in addition of such excess.

\$1,331,000 upon net estates of \$5,500,000; and upon net estates in excess of \$5,500,000 and not in excess of \$6,000,000, 37 percent in addition of such excess.

\$1,500,000 upon net estates of \$6,000,000; and upon net estates in excess of \$6,000,000 and not in excess of \$6,500,000, 39 percent in addition of such excess.

\$1,666,000 upon net estates of \$6,500,000; and upon net estates in excess of \$6,500,000 and not in excess of \$7,000,000, 41 percent in addition of such excess.

\$1,833,000 upon net estates of \$7,000,000; and upon net estates in excess of \$7,000,000 and not in excess of \$7,500,000, 43 percent in addition of such excess.

\$2,000,000 upon net estates of \$7,500,000; and upon net estates in excess of \$7,500,000 and not in excess of \$8,000,000, 45 percent in addition of such excess.

Actuaries Discuss Suicide Loss

The rising ratio of suicide losses is one of the most important problems now being faced by actuaries and companies, the discussion at the convention in Kansas City, Mo. of the American Institute of Actuaries revealed.

Some actuaries were inclined to lay the blame for the first problem at the door of adverse selection, the obvious remedy being more careful selection of risks. The increase in suicides, the accentuation of heart trouble deaths by worry over conditions on the part of men holding policies for large amounts, and the acceptance of poor risks for large amounts are the main causes of increasing mortality.

Disability Experience Continues Bad

Disability came in for very little discussion, and that little threw small light on the subject except that experience is increasingly bad for most companies. One actuary expressed the doubt that disability as a feature of life insurance policies is necessary and suggested that disability should be handled exclusively by accident and health companies. It does not, the actuary be-

lieves, belong to life insurance, except, possibly, waiver of premium, the rates for which need increasing.

The ratio of actual to expected mortality showed a slight downward trend from 1922 to 1927, according to the paper prepared by G. R. Hunter, second vice-president Equitable of Iowa, and read by R. G. McCankie of the Equitable. But since 1927 the ratio has shown a distinct upward trend. Does, then, Mr. Hunter asked, the mortality factor need adjustment? The experience of the Equitable showed some hesitancy in the upward trend of mortality of policies, but none in insurance.

The disability trend for the Equitable has been upward but not alarmingly so. In 1929 there were 157 claims; in 1930, 146, and in 1931, 160. There has been noticeable, however, a distinct change in the type making claims. Claims by sales managers, owners, etc., have shown an increase; claims by farmers, professional men, etc., have remained about the same, while claims by salesmen, office workers, etc., have shown a decrease.

Speaking of new selection methods

Duality - -

Life insurance may be described as the most unselfish medium of dual financial service yet devised by man. Life insurance first furnishes the logical, fool-proof way to CREATE PRINCIPAL at one's death for the benefit of those who are left behind. Next, through annuities, it furnishes the supreme method for making a lifetime's ACCUMULATED PRINCIPAL take up the creator's personal burdens and carry them for HIM until his death.

Thus one first turns to life insurance to provide for others, then to the annuity to provide for himself. In prescribing annuity forms, one cardinal principle should not be overlooked: The right of the annuitant to benefit to the utmost from his own capital during his own lifetime! Next to health, there can be nothing more conducive to earthly welfare and happiness than an adequate monthly income, guaranteed for life. It is this fact that makes an annuity the most serviceable monetary contract yet devised by man for his own personal comfort.

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Indianapolis

in general and of the new electrocardiogram in particular, Mr. Hunter expressed the doubt that the new technique to determine physical condition would be as satisfactory as the education of present examiners. He cited a case in which his company, in competition with another, had turned down a case on the basis of the electrocardio-

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gram report. The other company took the case at standard rates.

Suicide losses in 1932, according to O. W. Perrin, associate actuary Penn Mutual, are materially higher than heretofore, indicating the increasing need of a suicide clause. Abnormal conditions apparently tend to make potential suicides out of all policyholders; and Mr. Perrin predicted that if the depression continues the suicide loss rate will increase still further.

Suicides Increase Sharply

In 1930 suicides represented 7.8 percent of total claims for the Mutual Benefit, according to J. S. Thompson, vice-president, who also is president of the Actuarial Society. In 1931, suicides represented 9 percent of total claims and so far in 1932, 13 percent. It is obvious that suicides are increasing steadily.

The mortality increase at the older ages is for most companies the greatest and most alarming. C. O. Sheperd, vice-president Missouri State Life, reported that his company is experiencing a heavy mortality on older business, but that much the same mortality was true before the depression. Experience on non-medical cases has brought the Missouri State to consider seriously decreasing the age limit for non-medical from 45 to 40, Mr. Sheperd said.

Mortality in the older ages has been particularly unfavorable for the Mutual Benefit, according to Mr. Thompson. It was 20 percent higher in the older ages in 1929 and 1930 than in previous years.

Disability for the Mutual Benefit until 1931 was 33 percent of the expected, with 20,000 policies exposed, which Mr. Thompson regards as fairly good experience.

Mortality experience for the Metropolitan is better in 1932 than since 1927, according to H. R. Bassford of that company, but disability is growing worse. Mortality on ordinary business for the Metropolitan is only 9 percent lower than on non-medical business.

Life Men Criticising Bankers

Life company officials and agents all over the country are inclined to be quite critical of banking institutions in their attitude toward insurance during these days of trouble. Life underwriters feel that there has been a sad lack of statesmanship in banking circles in this country which has revealed itself in many ways. The banks ran riot, according to life men, during the bull market; encouraged speculation, opened the throttle wide and when the crash came ran as fast as they could for shelter, regardless of whom they knocked down and trod on in their rush to save themselves. The record of bank failures in this country during the last two and a half years does not indicate anything like sound banking.

Regardless of the collapse of the banking fraternity and the promotional element that permeated the structure, life insurance men would overlook those features but they have discovered unmistakable evidence every day of banking people forcing life companies to assume banking functions. In other words, the banks are pushing life companies into a field which they should occupy themselves. In some of the large cities where trust departments have cooperated with life agents and life underwriters' associations there has not been the destructive tendency shown on part of the banking people as elsewhere. Even in some of the cities life people have thought that there was a certain amount of insincerity and hypocrisy displayed, the conclusion being reached that on numerous occasions the banks while being seemingly friendly to the life people were endeavoring to feather their own nests primarily.

The most caustic criticism that life people make of the banking element is the encouragement and even pressure

Consequently, considering the additional expense on medical business, the differential is not great enough to make non-medical experience unfavorable.

A report on the business of the Canada Life shows that although mortality is upward, the company's mortality experience this year so far is 5 percent better than during the same period a year ago. Disability, however, doubled in 1931 over 1930 and still is increasing. This company is asking more information and making a closer check on larger cases, where the worst experience is being had. It is, however, not attempting to apply rigidly the same standards to smaller risks it applies to larger cases.

James F. Little, second vice-president Prudential, reported his company's mortality experience bad in April and worse so far this year than in the same period a year ago. Mortality on industrial business, however, is way below that on ordinary business, which indicates that bad mortality experience is not paralleling community mortality experience. Mr. Little considers this due largely to adverse selection. Companies are taking large, poor risks, and heart trouble deaths are being accentuated now by worry over conditions. Suicides also are increasing. It is evident that the working man who loses his job doesn't feel it so much as the business man who loses his fortune.

Better the Situation

Better selection, the change to 90 days on disability, and so on, are factors that are bettering the situation, Mr. Little said. These factors will cause a more favorable disability experience, he believes, and a more favorable experience is especially needed on disability.

Mr. Little reported that the Prudential's mortality experience on ordinary juvenile business has been very good. From ages 50 to 55, he added, is the worst age spot of all so far as mortality experience is concerned, and there is evident a need for adjusting the dividend scale at that point.



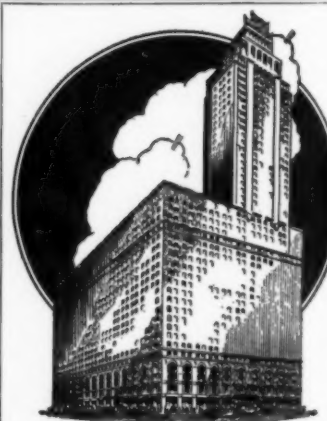
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